



## **Market Street Wealth Management, LLC**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 22, 2023**

This Form ADV 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Market Street Wealth Management, LLC ("MSWM" or the "Advisor"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (610) 692-3200.

MSWM is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through MSWM to assist you in determining whether to retain the Advisor.

Additional information about MSWM and its Advisory Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 155157.

**Market Street Wealth Management, LLC**  
**999 West Chester Pike, Suite 202, West Chester, PA 19382**  
**Phone: (610) 692-3200 \* Fax: (610) 692-3822**  
<http://www.marketstreetwealth.net>

## **Item 2 – Material Changes**

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Since the most recent Annual Amendment filing, dated March 22, 2023, MSWM has made the below disclosure amendments:

- MSWM has revised Item 4 to include additional information on Cash Sweep accounts and Cybersecurity Risks.

**ANY QUESTIONS:** MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions regarding this Part 2A, including the above-referenced disclosure additions and enhancements as described below in this Brochure.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 155157. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (610) 692-3200.

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Market Street Wealth Management, LLC (“MSWM” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). MSWM is organized as a Limited Liability Company (“LLC”) under the laws of the Commonwealth of Pennsylvania. MSWM was founded in September 2010 and is owned and by Market Street Financial Group, LLC, which is owned by its founding members, Jeffrey Leppert, Mark Meloro, and Kevin Holt. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by MSWM.

The Advisor serves as a fiduciary to Clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

### **B. Advisory Services Offered**

MSWM offers investment advisory services primarily to individuals and high net worth individuals (each referred to as a “Client”).

#### Investment Management Services

MSWM provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary and non-discretionary investment management and consulting services. MSWM works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. MSWM will then construct a portfolio, consisting of diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks, individual bonds and other types of investments, as appropriate, to meet the needs of particular Clients.

MSWM’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. MSWM will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

MSWM evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. MSWM may recommend, on occasion, redistributing investment allocations to diversify the portfolio. MSWM may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. MSWM may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

MSWM also provides discretionary investment management services through an automated, online investment management program (the “Program”). The Program is made available through the Fidelity Automated Managed Platform, a managed account platform made available to clients of Fidelity through its independently operated affiliate, eMoney Advisor, LLC.

MSWM is the client’s investment advisor and primary point of contact with respect to the Program. We are solely responsible for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and investment model(s) for the client’s investment needs and goals, and providing ongoing review and monitoring of the client’s asset allocation among the various investment models made available.

During enrollment in the Program, the client will provide information about a variety of factors and will be asked a series of questions regarding the client's financial situation, investment objectives, risk tolerance and planned investment time horizon. MSWM will then recommend an appropriate investment model(s) and risk profile based upon the client's individual circumstances.

The investment model(s) to which Program assets are allocated are managed by Geode Capital Management, LLC ("Geode"), an unaffiliated registered investment adviser. Geode is not responsible for gathering client information and determining or assisting Clients in selecting the appropriate Model. Clients do not pay fees to Geode in connection with the Program, but we charge clients a fee for our services as described below under Item 5 Fees and Compensation. Program clients do not pay brokerage commissions or any other fees to Fidelity or its affiliate, National Financial Services, LLC, in connection with the Program.

#### Use of Independent Managers

MSWM may recommend and refer Clients that all or a portion of their portfolio be implemented by utilizing one or more unaffiliated money managers or investment advisors (herein "Independent Manager[s]"). Through these arrangements, the Client will either enter into an advisory agreement with that Independent Manager to which that Independent Manager will assist and advise the Client in establishing investment objectives and develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments, or in other situations MSWM will oversee the assets with the Independent Manager and maintain involvement in the management of the Client's assets. The terms and agreements with the Independent Manager[s] will differ and are set forth in the agreement[s] with those manager[s]. The Independent Manager[s] will have investment discretion over the Client's account[s], but may allow the Client to impose reasonable investment restrictions. The Advisor will assist and advise the Client in establishing investment objectives for their account[s], the selection of the Independent Manager[s], and defining any restrictions on the account[s]. The Client, prior to entering into an agreement with unaffiliated money manager[s] or investment advisor[s], will be provided with the advisor's Form ADV 2 (or a brochure that makes the appropriate disclosures).

Please Note. The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, MSWM's investment advisory fee disclosed at Item 5 below. **ANY QUESTIONS:** MSWM's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the allocation of account assets to an Independent Manager(s), including the specific additional fee to be charged by such Independent Manager(s).

#### Financial Planning Services

MSWM will typically provide a variety of financial planning services to Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings, insurance needs and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. MSWM may also refer Clients to an accountant, attorney or another specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

MSWM also offers a financial planning and consulting service specifically designed to address the unique needs of younger investors. In addition to the preparation of a financial plan, this service also includes regular meetings with the client to track the client's progress towards their financial goals and to update and revise financial goals,

objectives, and action steps on a regular basis. This service can also include access to data aggregation tools to allow the client to view all of their assets in one setting, a client website that will also track budgeting, a client vault to store documents, overall asset allocation recommendations for any client assets, student loan and debt advice, and insurance and benefits advice.

Financial planning and consulting recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Retirement Plan Advisory Services

MSWM, in conjunction with Plan Confidence Corporation, an unaffiliated registered investment adviser, can provide investment advice on a co-advisory basis with respect to client assets held in a retirement plan qualified under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Such advice includes periodic allocation and investment recommendations delivered electronically. Neither MSWM nor Plan Confidence Corporation provides ongoing management of the individual plan participant's account. Under this program, MSWM will review each plan participant's financial situation, risk tolerance, and investment objectives, and recommend an appropriate allocation model. Plan Confidence will offer specific allocation recommendations based on the model selected and the available investments within the plan. Plan participants are solely responsible for placing any and all transactions.

A complete description of Plan Confidence Corporation's services is described in their Form ADV Part 2A Disclosure Brochure. MSWM acts as a co-adviser with Plan Confidence Corporation and provides advice to clients, assists clients in determining the suitability of the Plan Confidence™ services for their accounts, and assists clients in establishing and maintaining Plan Confidence™ services accounts.

#### Miscellaneous Disclosures

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent requested by the client, MSWM will generally provide financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. MSWM will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions may occur based upon assets under management, special projects, etc. for which MSWM may charge a separate fee, or require a stand-alone financial planning engagement for a separate fee). **Please Note:** MSWM does not serve as an attorney or accountant, or insurance agency. Accordingly, MSWM does not prepare estate planning or any type of legal documents or tax returns, nor does it sell insurance products. To the extent requested by a client, MSWM will recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including: (1) representatives of MSWM in their separate individual capacities as representatives of USA Financial Securities ("USA Financial"), an SEC registered and FINRA member broker-dealer; (2) representatives of MSWM in their separate individual capacities as licensed insurance agents, including as agents of the MSWM's affiliated licensed insurance agencies, Market Street Insurance Services, LLC and Market Street Financial Group, LLC; and (3) MSWM's affiliated tax preparation firm, Market Street Tax Services, LLC. The commission compensation earned by our insurance affiliate and its agents is separate from, and in addition to, MSWM's investment advisory fee. The client is under no obligation to engage the services of any such recommended professional or entity. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from MSWM and/or its representatives. **Please Note:** If the client engages any professional or entity, recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional or entity. At all times, the engaged licensed professional(s) and entity(ies), and not MSWM, shall be responsible for the quality and competency of the services provided. **Please Also Note-Conflicts of Interest:** The recommendation by a MSWM representative that a client purchase a securities or insurance commission product from a MSWM representative or Insurance, or engage Tax for tax preparation services, presents a conflict of interest, as the compensation to be received by a representative or affiliated entity from such sale/service may provide an incentive to recommend such investment or insurance product, and/or tax



preparation services. No client is under any obligation to purchase any securities, insurance, or tax preparation products or services from a MSWM representative or affiliated entity. Clients are reminded that they may purchase such products and/or services that may be recommended by MSWM through other, non-affiliated registered representatives, insurance agents, and tax preparers. **ANY QUESTIONS:** MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.

**Please Note:** MSWM, in its sole discretion, and based upon various factors, may make Market Street Tax Services, LLC professional services available to certain clients for a reduced fee, or no additional fee. The determination by MSWM to offer this discounted service through its affiliate may be based on such factors as the size and nature of the client relationship, or the length of time that the client worked with MSWM. MSWM is under no obligation to reduce or eliminate the affiliate tax service fee and this fee is separate from the client's advisory fee.

**Please Note: Retirement Rollovers – No Obligation / Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If MSWM recommends that a client roll over their retirement plan assets into an account to be managed by MSWM, such a recommendation creates a conflict of interest if MSWM will earn a new (or increase its current) compensation as a result of the rollover. If MSWM provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), MSWM is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by MSWM, whether it is from an employer's plan or an existing IRA. MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

**Custodian Charges-Additional Fees.** As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, MSWM generally recommends that *Fidelity* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Fidelity* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including *Fidelity*, do not currently charge fees on individual equity transactions, others do). **Please Note:** there can be no assurance that *Fidelity* will not change its transaction fee pricing in the future. **Please Also Note:** *Fidelity* may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically. When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom MSWM and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "trade-away" fee charged by *Fidelity*). These fees/charges are in addition to MSWM's investment advisory fee at Item 5 below. MSWM does not receive any portion of these fees/charges

**Unaffiliated Private Investment Funds.** MSWM also provides investment advice regarding private investment funds. MSWM, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in private investment funds, the description of which (the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in the fund's offering documents. MSWM's role relative to unaffiliated private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become an unaffiliated private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of MSWM

calculating its investment advisory fee. MSWM's fee shall be in addition to the fund's fees. MSWM's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that MSWM references private investment funds owned by the client on any supplemental account reports prepared by MSWM, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. **Please Also Note:** As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, MSWM shall calculate its fee based upon the latest value provided by the fund sponsor.

**Cash Sweep Accounts.** Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, MSWM shall generally purchase a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless MSWM reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

**Cybersecurity Risk.** The information technology systems and networks that MSWM and its third-party service providers use to provide services to MSWM's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in MSWM's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and MSWM are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although MSWM has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that MSWM does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Cryptocurrency:** MSWM typically does not recommend investments in cryptocurrency. For clients who want exposure to cryptocurrencies, including Bitcoin, MSWM will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services, but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment,



MSWM will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment. **Please Note:** MSWM **does not** recommend or advocate the purchase of, or investment in, cryptocurrencies. MSWM considers such an investment to be **speculative**. **Please Also Note:** Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for **liquidity constraints, extreme price volatility and complete loss of principal**.

**Please Note-Use of Mutual and Exchange Traded Funds:** Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by MSWM independent of engaging MSWM as an investment advisor. However, if a prospective client determines to do so, he/she will not receive MSWM's initial and ongoing investment advisory services. **Please Note:** In addition to MSWM's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). **ANY QUESTIONS:** MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective client may have regarding the above.

**Cash Positions.** MSWM continues to treat cash as an asset class. As such, unless determined to the contrary by MSWM, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating MSWM's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), MSWM may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, MSWM's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS:** MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.

**Independent Managers.** MSWM may allocate a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. MSWM shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors that MSWM shall consider in recommending Independent Manager[s] include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. **Please Note:** Additional Fee. The investment management fee charged by the Independent Manager is separate from, and in addition to, MSWM's investment advisory fee as set forth in the fee schedule at Item 5 below. **Please Also Note:** MSWM may also recommend that the engage an Independent Manager on a referral fee compensation basis. By so doing, the client shall separately engage the Independent Manager, and the Independent Manager shall compensate MSWM with a portion of the advisory fee paid by the client to the Independent Manager. **ANY QUESTIONS:** MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective client may have regarding Independent Managers.

**Portfolio Activity.** MSWM has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, MSWM will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when MSWM determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by MSWM will be profitable or equal any specific performance level(s).

**Account Aggregation Platforms.** MSWM may provide certain clients with access to account aggregation platforms which can incorporate all of the client's investment assets into one setting, including those investment assets that are not part of the assets managed by MSWM (the "Unmanaged Assets"). MSWM may provide asset allocation recommendations concerning the Unmanaged Assets but does not maintain any trading authority over

such assets. Rather, the client and/or the client's designated other investment professional(s) maintain and trading authority for the Unmanaged Assets and are exclusively responsible for implementing any recommendations concerning the Unmanaged Assets. The client is under absolutely no obligation to accept any such recommendation, and MSWM shall not be responsible for any implementation error (timing, trading, etc.) relative to the Unmanaged Assets. In the event the client desires that MSWM provide investment management services for the Unmanaged Assets, the client may engage MSWM to do so pursuant to the terms and conditions of the Investment Advisory Agreement between MSWM and the client.

**Client Obligations.** In performing our services, MSWM shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify MSWM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Non-Discretionary Services Limitations.** Clients that determine to engage MSWM on a non-discretionary investment advisory basis must be willing to accept that MSWM cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that MSWM would like to make a transaction for a client's account, and client is unavailable, MSWM will be unable to affect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by MSWM) will be profitable or equal any specific performance level(s).

**Disclosure Brochure.** A copy of MSWM's written Brochure as set forth on Part 2A of Form ADV and Form CRS (Client Relationship Summary) shall be provided to each client prior to, or contemporaneously with, the execution of an agreement between the client and MSWM.

### C. Client Account Management

Prior to engaging MSWM to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – MSWM, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives.
- Asset Allocation – MSWM will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – MSWM will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – MSWM will provide investment management and ongoing oversight of the Client's investment portfolio.

### D. Wrap Fee Programs

MSWM does not participate in a wrap fee program

### E. Assets Under Management

As of December 31, 2022, MSWM manages the following assets:

Discretionary Assets	\$481,260,821
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Non-Discretionary Assets	\$0
Total Assets Under Management	\$481,260,821

Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of MSWM and the Client.

### A. Fees for Advisory Services

#### Investment Management Services

Investment advisory fees are generally paid either: (i) quarterly, in advance of each calendar quarter, based on the market value of assets under management at the end of the prior quarter; or (ii) monthly, in advance or arrears (as dictated by the client agreement), based on the average daily balance of the assets under management during the course of the billing month. For fee arrangements based on the market value of assets under management as of the end of the prior quarter, prorated billing adjustments are made for account deposits and withdrawals during the course of the fee period, and such adjustments are applied at the next billing interval.

Investment advisory fees range from 1.25% to 0.60% and are based on the following schedule:

Assets Under Management	Annual Rate
Up to \$1,000,000	1.00% - 1.25%
\$1,000,001 to \$2,000,000	0.85% - 1.00%
\$2,000,001 to \$5,000,000	0.75% - 0.85%
\$5,000,000 and over	0.60% - 0.75%

The investment advisory fee in the first fee period is prorated from the inception date of the account[s] to the end of the first period. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by MSWM will be independently valued by the Custodian. MSWM will not have the authority or responsibility to value portfolio securities.

MSWM, in its sole discretion, may charge a lesser investment advisory fee and/or charge a flat fee based upon certain criteria (i.e., the overall scope of services to be rendered, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

For assets managed under our online investment management Program, the annual Program fee generally ranges from 0.50% to 1.00% of Program assets and is based on the average daily balance of assets in the Program account as calculated on the last business day of the billing period. The Program fee covers the advisory services provided by MSWM; Geode's ongoing sub-advisory services; certain trading costs and commissions; brokerage, clearing and custody services provided by NFS; and the communications program associated with the platform. The Program fee does not include underlying fund expenses charged at the individual fund level for any funds in the Program account. Some of these fund expenses are paid to Geode or Fidelity, and will be included in the Credit Amount (as defined below) that reduces the Program fee paid by the client.

The Program fee may be reduced by a Credit Amount (see below) for each Program account. The purpose of the Credit Amount is to reduce the Program fee by the amount of compensation, if any, received by Geode or by Fidelity or by their affiliates from the underlying mutual funds and ETFs, as a result of the Program account's investments in such funds, as detailed below. The Program fee for the initial month is calculated as of the last business day of the billing period in which the Program account is funded with a minimum of \$5,000. The Program

fee is prorated for the number of days the account was funded/open during the billing period and is based on the average daily balance for that time period.

**Credit Amount.** The Credit Amount reduces the portion of the fee paid by the client by the amount of compensation, if any, received by Geode or Fidelity as a result of the funds held in a Program account, as detailed below. To the extent applicable, a Credit Amount is calculated for each type of fund in a Program account as follows:

- For Fidelity Funds and Fidelity ETFs, the Credit Amount will equal the underlying investment management and any other underlying fees or compensation paid to Geode or Fidelity from the Fidelity Fund, Fidelity ETF or their affiliates as a result of investments by the Program account in such Fidelity Funds or Fidelity ETFs.
- For Non-Fidelity ETFs, the Credit Amount will equal the distribution fees, shareholder servicing fees and any other underlying fees or compensation paid to Fidelity from the Non-Fidelity ETF or its affiliates as a result of investments by the Account in such Non-Fidelity ETFs.

The Credit Amount does not show on the client's billing statement as a direct credit against the Program fee, although the Program fee charged is net of the Credit Amount. As a result of the Credit Amount, the net Program fee paid by any Program client may vary from billing period to billing period, but will not exceed the maximum fee ranges discussed above.

**MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective client may have regarding advisory fees and the corresponding conflict of interest presented by such arrangement.**

#### Independent Manager Fees

For Clients with accounts managed by an Independent Manager and overseen by the Advisor, the Client will incur fees directly from the Independent Manager[s], which fees are separate from and in addition to the Advisor's fee noted above. For Independent Manager[s] where assets are referred out from the Advisor, the Advisor will collect the solicitor fee as described in Item 14 – Client Referrals and Other Compensation below.

#### Financial Planning Services

MSWM offers financial planning services at an hourly rate of up to \$200 per hour or based on a fixed engagement fee of up to \$10,000. Fees may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours and/or costs will be provided to the Client prior to establishing the advisory relationship.

With respect to MSWM's planning services directed towards younger investors, MSWM will provide such services for a fixed monthly fee, billed directly to the client. The monthly fee ranges from \$50 to \$100 per month, depending on the overall scope of services to be performed.

#### Retirement Plan Advisory Services

Clients are charged a recurring monthly fee ranging from \$50 to \$100 per retirement plan account. MSWM is solely responsible in the determination of the fees we charge for this service. Under MSWM's co-adviser agreement with Plan Confidence Corporation, a portion of this monthly fee is retained by Plan Confidence™, with the remainder paid to MSWM.

### **B. Fee Billing**

#### Investment Management Services

Investment advisory fees will be calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] for each fee period. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting MSWM to be paid directly from their

accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Independent Managers

Clients referred to Independent Manager[s] will be billed in accordance with the agreement with each respective manager. As noted, MSWM's investment management or solicitor fee may be collected by an Independent Manager or billed separately in accordance with the agreement with the respective manager. Details are described in Item 14 – Client Referrals and Other Compensation.

#### Financial Planning Services

Financial planning fees are invoiced either upon receipt of the agreed upon deliverables or up to fifty percent (50%) upon execution of the financial planning agreement with the remaining balance due upon receipt of the agreed upon deliverable[s].

For monthly planning engagements, the fixed monthly fee is due and payable upon receipt of MSWM's invoice. The monthly fee is payable by debit or credit card and will be billed through an unaffiliated third party payment processor.

#### Retirement Plan Advisory Services

Monthly fees are collected through an automated billing system created by Plan Confidence Corporation. The client pays the fee via a credit or debit card.

### **C. Other Fees and Expenses**

Investment advisory fees are generally exclusive of normal securities trading costs, including brokerage commissions and transaction fees, pursuant to the terms of the investment advisory agreement. Accordingly, the Client is generally responsible for all custody and securities execution fees charged by the Custodian.

In addition, all fees paid to MSWM for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of MSWM, but would not receive the services provided by MSWM which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by MSWM to fully understand the total fees to be paid.

For Clients with accounts managed by an Independent Manager and overseen by MSWM, the client will pay a separate investment management fee to the engaged Independent Manager, which fee is separate from, and in addition to, MSWM's investment advisory fee.

### **D. Advance Payment of Fees and Termination**

#### Investment Management Services

MSWM generally is compensated for its investment management services either:

- On a quarterly basis, in advance, based on market value of assets under management at the end of the prior quarter, or
- On a monthly basis, in advance or arrears (as indicated in the client agreement), based on the average daily balance of the assets under management during the billing month

The timing, frequency, and other specific details of MSWM's investment management fee payments will be set forth in the client's investment advisory agreement.

Either party may request to terminate their investment advisory agreement with MSWM, at any time, by providing advance written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination, as well as an account closing fee, as set forth in the Client's agreement



with MSWM. Upon termination, and to the extent applicable, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. For clients billed in arrears, upon termination MSWM will deduct its final fee from the account(s), prorated through the date of termination. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### Independent Managers

In the event that a Client should wish to terminate their relationship with an Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and that manager. MSWM will assist the Client with the termination and transition as appropriate.

#### Financial Planning Services

MSWM may be partially compensated for its planning services in advance of delivering such services or due upon completion of deliverables. Either party may terminate a planning agreement, at any time, by providing written notice to the other party. The Client shall be responsible for financial planning fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid financial planning fees from the effective date of termination. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent. For monthly planning clients, billing will cease as of the month in which the engagement is terminated, unless payment has already been made for a month that has not yet commenced at the time of termination.

#### Retirement Plan Advisory Services

Clients may terminate this service at any time. Upon termination, the client will receive an invoice for the final month's fee, which fee shall be payable on receipt of the invoice.

### **E. Compensation for Sales of Securities**

MSWM does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above. However, advisory persons may earn additional compensation as described below.

#### Broker-Dealer Affiliation

Advisory Persons of MSWM are also registered representatives of USA Financial Securities Corp ("USA Financial"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In one's separate capacity as a registered representative of USA Financial, an Advisory Person may implement securities transactions under USA Financial, and not through MSWM, on a commission basis.

#### Insurance Agency Affiliations

Advisory Persons may also be licensed as independent insurance professionals. Implementations of insurance recommendations are separate and apart from one's role with MSWM. Insurance commissions earned by these persons are separate and in addition to our advisory fees.

The recommendation that a client purchase a commission product from a representative of MSWM presents a conflict of interest, as the receipt of commissions provides an incentive to recommend securities and/or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from MSWM's representatives. MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

**Please Note:** Clients may purchase investment products recommended by MSWM or its representatives through other, non-affiliated registered representatives and/or insurance agents.

MSWM does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products MSWM recommends to its clients.



When MSWM's representatives sell an insurance or securities product on a commission basis, MSWM does not charge an investment advisory fee in addition to the commissions paid by the client. When providing services on an advisory fee basis, MSWM's representatives do not also receive commission compensation. However, a client may engage MSWM to provide investment advisory services on an advisory fee basis, and separate from these advisory services, purchase an insurance and/or securities product from MSWM's representatives on a commission basis.

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

MSWM does not charge performance-based fees for its investment advisory services. The fees charged by MSWM are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

MSWM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

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## **Item 7 – Types of Clients**

MSWM provides investment advisory services to individuals and high net worth individuals. MSWM generally does not impose a minimum size for establishing a relationship.

MSWM, in its sole discretion, may charge a lesser investment advisory fee and/or charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

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

### **A. Methods of Analysis**

MSWM primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from MSWM is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

As noted above, MSWM generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. MSWM will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, MSWM may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. MSWM will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client account[s]. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. The following are some of the investment risks to consider:

#### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

#### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

#### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

MSWM may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct MSWM, in writing, not to employ any or all such strategies for their accounts.

MSWM does not generally recommend the use of margin loans or securities based loans (collectively, "SBLs") as an investment strategy, in which the client would leverage borrowed assets as collateral for the purchase of additional securities. However, MSWM may recommend that a client establish a margin account with the client's broker-dealer/custodian or their affiliated banks (each, an "SBL Lender") to access SBLs for financial planning and cash flow management purposes. For example, MSWM may deem it advisable for a client to borrow money on margin to pay bills or other expenses such as financing the purchase, construction, or maintenance of a real estate project. Clients may also determine to engage in SBL transactions on their own, without recommendation from MSWM. Unlike a traditional real estate-backed loan, an SBL has the potential benefit of: enabling borrowers to access to funds in a shorter period of time, providing greater repayment flexibility, and may also result in the

borrower receiving certain tax benefits. Clients interested in learning more about the potential tax benefits of borrowing money on margin should consult with an accountant or tax advisor.

The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. Borrowing funds on margin is not suitable for all clients and is subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. Before agreeing to participate in an SBL program, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing "margin calls" and liquidating securities and other assets in the client's accounts. The following describes some of the risks associated with SBLs, which MSWM recommends that clients consider before participating in an SBL program:

1. Increased Portfolio Risk, Including the Risk for Potential Losses in the Event of a Downturn – Borrowing money on margin to pay bills or other expenses increases a client's level of exposure to market risk and volatility. The more money a client borrows on margin, the greater the market risk. This is especially true in the event of a significant downturn in the value of the assets used to collateralize the SBL. In some circumstances, clients may lose more money than they originally invested and borrowed. As the marginable investments in a client's portfolio provide the collateral for the SBL, the value of that collateral fluctuates according to market activity, while the amount the client borrows stays the same.
2. The Potential Obligation to Post Collateral or Repay the SBL if the SBL Lender Determines that the Value of Collateralized Securities is No Longer Sufficient to Support the Value of the SBL – The SBL requires a certain minimum value of equity to continue service of the SBL (the "Maintenance Requirement"). If the value of the client's portfolio securities decline in value, so does the value of the collateral supporting the SBL. If the value of the SBL collateral declines to an amount where it is no longer sufficient to support the borrower's line of credit or loan, the SBL Lender will issue a "Maintenance Call" (also referred to as a "margin call"). In that event, the client would be required to post additional collateral or repay the SBL within a specified period of time. The SBL Lender is also commonly entitled to increase its Maintenance Requirement at any time, without having to provide prior written notice to the borrower. As a result, borrowers are subject to risk of repayment of the loan and should be aware of such risks when foregoing a traditional mortgage to finance a real estate purchase.
3. The Risk that the SBL Lender may Liquidate the Client's Securities to Satisfy its Demand for Additional Collateral or Repayment – The SBL Lender commonly reserves the right to render the borrower's repayment immediately due, and/or terminate the SBL at any time without cause, at which point, the outstanding SBL balance would become immediately due and payable. However, if the borrower is unable to add additional collateral to their account or repay the loan with readily available cash, the SBL Lender can typically liquidate the borrower's securities and keep the cash to satisfy the Maintenance Call. When liquidating the securities of the borrower's investment portfolio, the SBL Lender usually reserves the right to decide which securities to sell to protect its interests, and is not necessarily required to provide written notice of its intentions to liquidate. Accordingly, clients who borrow money through an SBL should be aware of this risk and that such risk is not limited to the margin in the client's account which could result in the client having to owe additional money or collateral to the SBL lender after the positions are liquidated. It is therefore possible that a client can lose more money than what the client originally invested into the portfolio.

4. Liquidity Risk – SBLs also have a significant effect on the liquidity of a client's portfolio. Namely, a security (whether an equity, mutual fund or ETF) that is used as collateral for an SBL loses its liquidity as long as the SBL is outstanding. Decreased liquidity increases portfolio risk and restricts a client's access to their funds, which clients should strongly consider before using an SBL.
5. Risk of Margin as an Investment Strategy and Associated Conflict of Interest – Although MSWM does not recommend the use of margin as an investment strategy, in which the client would borrow money leveraged against securities it holds to purchase additional securities, clients choosing to do so would be subjected to the risks described above. In addition, if a client determines to use margin to purchase assets that MSWM will manage, MSWM would include the entire market value of the margined assets when computing its advisory fee, which would present a conflict of interest because it would result in an increased advisory fee. Another conflict of interest would arise if MSWM has an economic disincentive to recommend that the client terminate the use of margin. If MSWM recommends that a client apply for an SBL instead of selling securities that MSWM manages for a fee to meet liquidity purposes, the recommendation presents a conflict of interest because selling those securities (instead of leveraging those securities to access an SBL) would decrease MSWM's investment advisory fee.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

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#### **Item 9 – Disciplinary Information**

**There are no legal, regulatory or disciplinary events involving MSWM or any of its Supervised Persons.** MSWM values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 155157.

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

As indicated at Item 4 above, to the extent requested by a client, MSWM will recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including: (1) representatives of MSWM in their separate individual capacities as representatives of USA Financial Securities ("USA Financial"), an SEC registered and FINRA member broker-dealer; (2) representatives of MSWM in their separate individual capacities as licensed insurance agents, including as agents of the Firm's affiliated licensed insurance agencies, Market Street Insurance Services, LLC and Market Street Financial Group, LLC; and (3) MSWM's affiliated tax preparation firm, Market Street Tax Services, LLC. In addition, MSWM or its affiliates may refer clients to unaffiliated entities for specific services such as home loans, legal services, identity protection, or tax preparation. The referring entity (either MSWM or its affiliate) is generally eligible to earn a referral fee (or equivalent) from such unaffiliated entities when a referred client engages the unaffiliated entity for services.

The client is under no obligation to engage the services of any such recommended professional or entity. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from MSWM and/or its representatives. **Please Note:** If the client engages any recommended professional or entity, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional or entity. **Please Also Note-Conflicts of Interest:** The recommendation by a MSWM representative that a client purchase a securities or insurance commission product from a MSWM representative or affiliated entity, or engage an affiliated entity for tax preparation services, presents a conflict of interest, as the compensation to be received by a representative or affiliated entity from such sale/service may provide an incentive to recommend such investment or insurance product, and/or tax preparation services. No client is under any obligation to purchase any securities, insurance,

or tax preparation products or services from a MSWM representative or affiliated entity. Clients are reminded that they may purchase such products and/or services that may be recommended by MSWM through other, non-affiliated broker-dealers, insurance agents, and tax preparers. The recommendation that a client engage an unaffiliated entity for specific services presents an additional conflict of interest, to the extent MSWM or its affiliate receives a referral fee (or equivalent) in exchange for such referral. No client is under any obligation to engage to services of any such unaffiliated entity, and clients are reminded that they may engage the service provider of their choosing, whether or not recommended by MSWM or its affiliates.

**ANY QUESTIONS: MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

As indicated at Item 4 above, MSWM may recommend the services of certain Independent Manager(s) on a referral fee basis. If MSWM recommends an Independent Manager(s) on a referral fee basis, and the client engages the Independent Manager(s), MSWM shall be compensated for its services by receipt of a referral fee to be paid by Independent Manager(s) to MSWM in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities laws or requirements. Any such referral fee shall be paid solely from the Independent Manager(s) investment management fee, and shall not result in any additional charge to the client. In addition to MSWM's written disclosure statement as set forth on Part 2 of Form ADV, the client shall also receive the written disclosure statement of the recommended Independent Manager(s).

Conflict of Interest: The recommendation by MSWM that an individual or entity engage an Independent Manager(s) that shares a portion of its advisory fee with MSWM presents a conflict of interest, as MSWM's receipt of the referral fee may provide an incentive to recommend the Independent Manager(s) based on the referral fee received, rather than on a particular client's need. No person or entity is under any obligation to engage the Independent Manager(s) recommended by MSWM. Please Note: The referral fee paid by the Independent Manager(s) varies. This presents a conflict of interest, as MSWM's receipt of a greater referral fee may provide an incentive to recommend an Independent Manager(s) that pays a greater referral fee to MSWM.

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

### **A. Code of Ethics**

MSWM has implemented a Code of Ethics (the "Code") that defines our fiduciary commitment to each Client. This Code applies to all persons subject to MSWM's compliance program (our "Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. MSWM and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of MSWM associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (610) 692-3200.

### **B. Personal Trading with Material Interest**

MSWM allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. MSWM does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. MSWM does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

MSWM allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons of MSWM may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades,



or by trading based on material non-public information. This risk is mitigated by MSWM requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer (“CCO”) or delegate. We have also adopted written policies and procedures to detect the misuse of material, non-public information. In addition, the Code governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

#### **D. Personal Trading at Same Time as Client**

While MSWM allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will MSWM, or any Supervised Person of MSWM, transact in any security to the detriment of any Client.

### **Item 12 – Brokerage Practices**

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In the event that the client requests that MSWM recommend a broker-dealer/custodian for execution and/or custodial services, MSWM generally recommends that investment advisory accounts be maintained at Fidelity. Prior to engaging MSWM to provide investment management services, the client will be required to enter into a formal Investment MSWM Agreement with MSWM setting forth the terms and conditions under which MSWM shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that MSWM considers in recommending Fidelity include historical relationship with MSWM, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as Fidelity can charge transaction fees for effecting certain securities transactions (**See** Item 4 above). To the extent that a transaction fee will be payable by the client to Schwab, the transaction fee shall be in addition to MSWM's investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, Fidelity shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where MSWM determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although MSWM will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

**Research and Benefits:** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, MSWM can receive from Fidelity (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist MSWM to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by MSWM can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by MSWM in furtherance of its investment advisory business operations.

MSWM's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by MSWM to Fidelity, or any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.



**ANY QUESTIONS:** MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest presented by such arrangements.

**Brokerage for Client Referrals.** MSWM does not receive referrals from broker-dealers.

**Directed Brokerage.** MSWM recommends that its clients utilize the brokerage and custodial services provided by Fidelity. The Firm generally does not accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by MSWM. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Please Note: In the event that the client directs MSWM to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through MSWM. Higher transaction costs adversely impact account performance. Please Also Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Order Aggregation.** Transactions for each client account generally will be effected independently, unless Firm decides to purchase or sell the same securities for several clients at approximately the same time. Firm may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Firm shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by the advisory personnel charged with management of the respective Client account[s]. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A, each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify MSWM if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by MSWM**

MSWM is primarily a fee-based advisory firm, but may also receive commissions or other compensation from product sponsors, broker-dealers or an un-related third party. MSWM may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, MSWM may receive referrals of new Clients from a third-party.

#### Independent Managers

MSWM may refer Clients to unaffiliated money managers as detailed in Item 4 – Advisory Services. These arrangements can be as a solicitor or a non-solicitor. In such arrangements where MSWM is acting as solicitor and referring Client assets to another advisor, MSWM has a potential conflict of interest in that MSWM will receive a portion of the investment advisory fee for the referral of the Client to the advisor, and may assist the Client in completing their Client questionnaire and account opening paperwork. To mitigate this conflict of interest, MSWM will not charge investment advisory fees on assets referred to an unaffiliated manager under such arrangements. In non-solicitor arrangements with Independent Managers where MSWM continues to provide management over the assets at the unaffiliated manager MSWM will collect its advisory fee from the Client directly and will not receive any compensation from the unaffiliated manager as detailed in Item 4 – Advisory Services.

#### Participation in Institutional Advisor Platform

As indicated at Item 12 above, MSWM can receive from Fidelity without cost (and/or at a discount), support services and/or products. MSWM's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity (or any other institution) as result of this arrangement. There is no corresponding commitment made by MSWM to Fidelity, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. **ANY QUESTIONS:** MSWM's Chief Compliance Officer, Kevin Holt, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangement.

#### **B. Client Referrals from Solicitors**

MSWM does not maintain solicitor arrangements. MSWM does not compensate unaffiliated individuals or entities for client introductions.

### **Item 15 – Custody**

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MSWM shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Fidelity, etc.) at least quarterly.

Please Note: To the extent that MSWM provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by MSWM with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of MSWM's advisory fee calculation.

### **Item 16 – Investment Discretion**

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MSWM generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by MSWM. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by MSWM will be in accordance with each Client's investment objectives and goals. Clients who engage MSWM on a discretionary basis may, at any time, impose restrictions, in writing, on MSWM's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe MSWM's use of margin, etc.).

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

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MSWM does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 – Financial Information**

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Neither MSWM, nor its management, have any adverse financial situations that would reasonably impair the ability of MSWM to meet all obligations to its Clients. Neither MSWM, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. MSWM is not required to deliver a balance sheet along with this Disclosure Brochure, as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.