



## **WealthTrust Asset Management, LLC**

**dba TAMP Advisory Solutions**  
**dba Duncan McHugh Investments**  
**dba 925 Advisory**

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March 15, 2023

### **Part 2A Brochure**

This brochure provides information about the qualifications and business practices of WealthTrust Asset Management, LLC, a Registered Investment Adviser. Our company also does business under the following names: TAMP Advisory Solutions, Duncan McHugh Investments, and 925 Advisory. If our clients have any questions about the contents of this brochure, please contact us at 850- 460-8444. 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. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about WealthTrust Asset Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our Clients can search this site by a unique identifying number, known as a CRD number. The CRD number for WealthTrust Asset Management, LLC is 174901.

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## ITEM 2 – SUMMARY OF MATERIAL CHANGES

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### **Summary of Material Changes**

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our last annual amendment filing was made on February 16, 2022.

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## ITEM 4 – ADVISORY SERVICES

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This Disclosure document is being offered by WealthTrust Asset Management, LLC (the “Firm” or “WTAM”) in connection with the investment services we provide under our three business channels: Investment Advisory, Asset Management and RIA consulting and facilitation. It is intended to disclose information about the services we provide and the manner in which those services are made available.

Our Firm was established in 2014 by John G. McHugh and became a registered investment adviser in 2015, with principal ownership by John G. McHugh and Darlene S. Duncan. It is headquartered in Destin, Florida with branch offices in Chesterfield, Missouri and Mobile, Alabama.

Investment Advisory services are performed under the name of TAMP Advisory Solutions (“TAMP”) and Duncan McHugh Investments (“DMI”) which are dba names for the Firm. While TAMP and DMI may be used interchangeably by our Investment Advisory division, for simplicity purposes in this brochure, we will use “TAMP” to refer to our Investment Advisory services.

The Firm’s Asset Management division operates under the name WealthTrust Asset Management (“WealthTrust”) and offers discretionary model management under the WealthTrust DBS Portfolios and the WealthTrust Tenma Portfolios. Our WealthTrust Portfolios are offered to investment advisory clients of our firm as well as clients of unaffiliated investment advisers. As of December 31, 2020, our asset management business channel is the primary business of our company in terms of both revenue and assets.

The third division of the Firm markets its business under the name of 925 Advisory (“925”). 925 operates as an Advisory Services Platform to investment advisers for asset management and certain back-office services.

As a registered investment adviser, we act as a fiduciary and it is our duty to always act in the client’s best interest.

### **Asset Management Services**

Our Firm offers asset management services to unaffiliated registered investment advisers (hereafter referred to as “Independent RIA”) whereby our Firm manages some or all of these Independent RIA’s client (“Adviser Client”) assets according to the WealthTrust DBS Portfolio chosen by the Independent RIA. In these situations, the Adviser Client remains a client of the Independent RIA. The decision into which investment strategy(s) Adviser Client assets are invested is based on suitability information gathered and reviewed by the Independent RIA. Our Firm will manage these assets on a discretionary basis based on its investment strategies and not based on overall Adviser Client suitability. WealthTrust Asset Management Services are also offered to Trust Companies, Broker-Dealers, Qualified Retirement Plans and Family Offices.

Management of these outside assets is facilitated through sub-advisory or tri-party agreements with the Independent RIA and our firm or by the Independent RIA's access to the WealthTrust DBS portfolios through managed account platforms.

Through an Independent RIA's Sub-Advisory or Tri-Party Agreement with our firm, we will be given access to the Adviser Client accounts enrolled in our WealthTrust DBS management services. Our Firm will facilitate all the trading and rebalancing and may perform billing functions such as the deduction of management fees on behalf of the Independent RIA. WealthTrust will determine when existing positions will be liquidated to facilitate investing in our models. Our Firm will not tailor our models to accommodate any limitations or restrictions in the Adviser Client portfolios, however, accommodations may be approved for legacy positions on a case-by-case basis. WealthTrust will not have direct contact with individual Adviser Client, only communication with and direction by the Independent RIA. Through our agreement with an unaffiliated third-party Technology platform, Orion Advisor Services, our Firm may provide an online portal for both Adviser Clients and Independent RIAs. This portal will give access to reporting that details current positions and balances, asset allocation, transaction history and performance.

#### **Model Portfolio Subscription Services**

Our Firm offers WealthTrust DBS model portfolios on 3<sup>rd</sup> Party digital platforms to which independent financial institutions, including unaffiliated Registered Investment Advisors, banks, broker-dealers ("Financial Institutions"), may subscribe. These platforms allow Independent RIAs access to our Firm's DBS portfolios as an investment option for their client accounts. Under this arrangement, our Firm will not be given access to Independent RIAs client accounts. Our Firm does not enter direct relationships with these clients nor the Independent RIAs. Instead, our Firm maintains, monitors and supervises the DBS models on the subscribing firm's platform, providing ongoing model updates as well as buy, sell, and rebalancing recommendations. On occasion, these models can hold slightly different funds than our direct discretionary asset management accounts due to custodial relationship constraints that are outside of our control. The Independent RIA Adviser(s) will be responsible for selecting the DBS model that is suitable for their client. Financial Institutions maintain their own custodial relationships and offer separate execution and clearing services. Subscribing firms or Independent RIAs are also responsible for providing all administrative and performance reporting services to their clients.

#### **Investment Services for Clients of Our Firm**

For clients of our Firm, we offer discretionary and non-discretionary investment management and investment monitoring services for an annual fee based on a percentage of the Client's assets under management or a flat dollar amount. A flat dollar Minimum Annual Investment services fee may also apply. Discretionary asset management services include investment analysis, ongoing allocation of investments, and monitoring services for the portfolio. Non-Discretionary investment management will include investment analysis and recommendations to the Client, with all transactions being authorized by the Client. Investment Monitoring Services, without investment management, include a periodic review

of the holdings within the account. Monitoring Services may be offered for non-discretionary accounts and there may be an Investment Services Fee assessed for these services. Zero Fee accounts, or accounts that are not being assessed a fee for services are managed by the Client without expectation of analysis, monitoring, or buy/sell recommendations by the Firm. All client accounts, regardless of services performed, will be included in Client account reviews with their Investment Advisor Representative.

We help determine our Clients recommended portfolio composition based on their needs, accepted portfolio restrictions, if any, financial goals and risk tolerance. We will work with our Clients to obtain necessary information regarding their financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the asset allocation we view as appropriate for our Client's investment objectives and needs.

In performing our services, we shall not be required to verify any information received from our Clients or from their other professionals. Upon request, we may recommend the services of other professionals, such as tax attorney's or accountants, but Clients are under no obligation to engage the services of any such recommended professional.

For discretionary account management, once we have determined the types of investments to be included in our Clients portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review our Clients portfolio at least quarterly. Under discretionary management, we are authorized to trade and rebalance the investment account as we deem appropriate, without consultation with the Client. This includes discretion of all investment decisions and all trades entered.

For non-discretionary accounts, client's retain control over investment decisions. While we may render investment advice and recommendations, all investment decisions will be made by the Client. No purchase, sale, or other transaction(s) will be made with respect to any security or other assets in the Account without the Client's authorization. It is at the discretion of the client as to whether to follow, or not to follow the investment advice provided by the Firm.

Clients will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities, including socially conscious investment preferences or restrictions. We will try, as much as possible, to accommodate these requests, but such requests are not guaranteed to be honored. It should be understood that investment in certain securities such as mutual funds or Exchange Traded Funds ("ETFs") may make it impossible for us to ensure that a client's portfolio will not invest in a particular industry or security. Account holders have a direct and beneficial interest in their securities, rather than an undivided interest in a pool of securities.

Clients of our Firm are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance and result in capital losses. We do not guarantee the results of asset management performed or consulting advice we give, including the performance of our WealthTrust Asset Management DBS portfolios. Thus, significant losses can occur by

using our services.

We may offer an initial complimentary meeting with our clients; however, investment advisory services are initiated only after our Clients and the Firm execute a Client Engagement Agreement.

Clients may also engage WTAM to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts. In these situations, WTAM will direct or make recommendations for the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or custodian and clients retain responsibility for effecting trades in these accounts. For these services WTAM will charge no more than 1% of AUM and require a signed client agreement

### **Retirement Plan Investment Advisory Services**

Retirement Plan Advisory Services consists of assisting employer plan sponsors establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment selection and monitoring, plan structure, and participant education.

We will help evaluate our Clients plan's needs and objectives through an initial meeting to collect data, review plan information, and assist our Clients in developing or updating the plan's provisions. Ongoing services to our Clients may include recommendations regarding the selection and review of unaffiliated mutual funds that, in our judgment, are suitable for plan assets for our Clients to be invested. We periodically review the investment options our Clients select and make recommendations to keep or replace plan investment options as appropriate. We perform a comprehensive review of potential service providers or vendors and will assist our Clients with converting from their incumbent service provider to a new service provider they select. Our Clients are under no obligation to follow the recommendations we make.

Services available under a Client Engagement Agreement permit us to provide financial education to our Clients' plan participants. The scope of education provided to participants at our Clients request will not constitute "investment advice" within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants as we agree upon.

All Retirement Plan Advisory Services shall be in compliance with any applicable Federal and State law(s) regulating the services provided by our Agreement. This section applies to an Account that is a pension or other employee benefit plan (a "Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If our Clients Account is part of a Plan and we accept appointments to provide our services to our Clients Account, we

acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of this agreement). Our Clients represent that (i) Our appointment and services are consistent with the Plan documents, (ii) Our Clients have furnished us true and complete copies of all documents establishing and governing the Plan and evidencing their authority to retain our firm. Our Clients further represent that they will promptly furnish us with any amendments to the Plan, and agree that, if any amendment affects our rights or obligations, such amendment will be binding on us only with our prior written consent. If our Clients Account contains only a part of the assets of the Plan, they understand that we will have no responsibilities for the diversification of the Plan's investments, and we have no duty, responsibility or liability for the assets that are not in the account. If ERISA or other applicable law requires bonding with respect to the assets in our Client's account, they will obtain and maintain at their expense bonding that satisfies this requirement and covers the Firm and any of our affiliates.

### **Financial Planning Services**

Financial advisory services provided by us to our Clients may include the analysis of their situation and assistance in identifying and implementing appropriate financial planning and investment management techniques to help the client meet their specific financial objectives. Such service may include a written financial analysis and specific or general investment and/or planning recommendations. Financial Plans offered by the Firm and its IARs have a focus on long term investment planning.

In preparing our Clients financial plan, we may address any or all of the six areas of financial planning established by the National Endowment for Financial Education and endorsed by the Certified Financial Planner Board of Standards, depending on our Clients specific needs. These include financial position, protection planning, investment planning, income tax planning, retirement planning, and estate planning.

Our specific services in preparing our Client's plan may include:

- Review and clarification of our Client's financial goals.
- Assessment of our Clients overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Create of a unique plan for each goal our Clients have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.
- Develop of a goal-oriented investment plan around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design a complete risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Craft and implement, in conjunction with our Clients estate and/or corporate attorneys as tax advisor, an estate plan to provide for our Clients and/or our Clients' heirs in the



event of an incapacity or death.

We also provide clients investment advice on a more limited basis on one or more isolated areas of concern such as estate planning, retirement planning, or any other specific topic.

Additionally, we may provide advice on non-securities matters in connection with the rendering of estate planning, insurance, and/or annuity advice.

### **Our Investment Advisor Representatives with Branded Practices**

Your IAR may market their practice under one of our firm's dba names, TAMP Advisory Solutions or Duncan McHugh Investments. In addition, some of our firm's IARs have branded their practices with their own independent legal business entity name. The Client should understand that the independent businesses are legal entities of the IAR and not of our firm. However, regardless of the name under which our IAR markets their practice, all of our IARs are under the supervision of our firm and their advisory services are provided through our firm. A complete listing of these entities is listed on our ADV Part 1.

### **Pricing Structure for Investment Services (Wrap and Non-Wrap)**

***Wrap Accounts*** – The investment services fee stated in the Client Engagement Agreement includes the investment services and all transaction costs.

***Non-Wrap Accounts*** – The investment services fee stated in the Client Engagement Agreement covers the investment services only. Transaction costs will be billed by the custodian in addition to the investment services fee.

Prior to 10/1/2021, services to our clients were offered under a “wrap” or “non-wrap” pricing structure.

However, in an effort for transparency of charges incurred in a Client's account, effective 10/1/21 our firm began phasing out our wrap fee program. And, as a result, all new Client accounts are priced on a “Non-Wrap” basis. Non-Wrap pricing allows the fee stated in the Client Engagement agreement to solely encompass Investment Advisory and Asset Management services provided by our firm. Any transaction costs are charged directly to the Client account by the Custodian.

Clients with legacy accounts that are priced under our wrap fee program are encouraged to change to non-wrap pricing. Because this change in pricing may result in additional costs to the Client, these costs should be reviewed by the Client and their Investment Advisor Representative.

Wrap and Non-Wrap designations refer to the pricing structure of a Client account and have no bearing on the investment services provided to those accounts by the Firm. Our Firm does not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

Details of our Firm's legacy Wrap Fee Program are contained in the firm's ADV 2A Wrap Program Brochure.

### **Written Acknowledgement of Fiduciary Status**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries 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. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **Assets**

***Regulatory Assets Under Management (RAUM)*** - As of December 31, 2022, we have \$ 147,004,665 regulatory assets under discretionary management and \$ 6,723,105 regulatory assets under non-discretionary management.

***Assets Under Advisement (AUA)*** - Our Assets Under Advisement as of December 31, 2022 total \$106,296,259.

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## ITEM 5 – FEES AND COMPENSATION

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### **Investment Services Fees and Compensation**

As stated in the Client Engagement Agreement, an Investment Services Fee is charged to our Clients' accounts as compensation for providing investment services including investment analysis, investment advisory, asset management, trade entry, and investment monitoring. Other account activities, which may include custodial fees, transaction costs, redemption fees, financial planning and administrative fees or commissions may not be included in our Investment Services Fee and our clients may incur an additional charge for these activities.

See Additional Fees and Expenses below.

Fees for investment services are based upon the following pricing methods:

**Assets Under Management (“AUM”) Pricing:** An annual fee amount charged to an account based upon a) a negotiated fee schedule and b) the account’s market value of assets under management on the last business day of each month or quarter, as indicated in the Client engagement agreement signed by the client. The account’s market value will be reported by the Custodian.

**Fixed Dollar Pricing:** A negotiated annual flat dollar amount

AUM Pricing fees are assessed on all assets under management, including securities, cash and money market balances.

The AUM fees are based on the account’s asset value, applied on a pro-rated basis, and billed monthly or quarterly in advance or arrears, as indicated in the Client engagement agreement. The initial fee will be based upon the date the account is accepted for management by execution of the investment advisory contract by the Firm and the assets are transferred through the last day of the current calendar month or quarter. All fees are stated in the Client Engagement Agreement executed by the Firm and the Client.

Accounts invested in WealthTrust DBS Fixed Income strategies that are not part of a blended portfolio have a maximum annual investment services fees as follows:

- WealthTrust DBS Moderate Fixed Income 1.25%
- WealthTrust DBS Conservative Fixed Income 1.00%

All other accounts of our Clients, including those composed of a blend of equity and fixed income WealthTrust DBS strategies, are subject to the following fee schedules:

Discretionary Accounts: The maximum Investment Services Fee schedule for AUM Pricing of Discretionary Accounts is 1.75%.

Non-Discretionary Accounts: Our maximum Investment Services Fee for AUM Pricing for non-discretionary accounts is 1.55%

Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons which we determine. Our fees may be negotiable.

### **Model Portfolio Subscription Fees**

Fees for our model portfolio subscription services are assessed based on the assets under advisement and are paid directly from the 3<sup>rd</sup> party model portfolio platform to our Firm as defined in a separate contract. Fees are negotiable and may differ between DBS models and

platforms.

### **General**

Through execution of our Client Engagement Agreement and the custodian's new account documentation, Clients authorize us to request their account be debited for our Investment Services fee. The independent qualified custodian holding our Clients funds and securities will debit the Clients account directly and pay that fee to us. Our Clients will provide written authorization permitting the fees to be paid directly from our Clients account held by the qualified custodian.

**Under certain circumstances, our Investment Services Fees may be processed by a third-party Turnkey Asset Management provider ("TAMP"). In these instances, a separate authorization, provided by the Custodian, will be executed by the Client.**

The qualified custodian agrees to deliver an account statement at least quarterly directly to our Clients indicating all the amounts deducted from the account including our Investment Services fees. Our Clients are encouraged to review their account statements for accuracy.

Either the Firm or our Clients may terminate the discretionary and non-discretionary client engagement agreement, upon 30 day written notice to the other party. The investment services fee will be pro-rated to the date of termination, for the respective period in which the cancellation notice was given, and any unearned fees will be refunded to the affected Client. All accounts will be serviced on either a discretionary or non-discretionary basis. Should the Client or the Firm terminate relationship, the Client will be responsible for monitoring the securities in their account until which time the account can be transferred from our Firm. We will have no further obligation to act or advise with respect to those assets.

### **Retirement Plan Advisory Services**

For Retirement Plan advisory services compensation, we charge an annual fee as negotiated with the client and disclosed in the Investment Advisory Agreement-Plan Sponsor Agreement.

The compensation method is explained and agreed upon in advance before any services are rendered.

Plan advisory services begin with the effective date of the Agreement, which is the date our Clients sign the Investment Advisory Agreement-Plan Sponsor Agreement. Fees are assessed monthly or quarterly and will be adjusted pro rata based upon the number of calendar days in the billing period that the Agreement was effective. Our fee is billed in arrears on the last business day of the billing period (month or quarter) and may be invoiced to the Plan Sponsor or debited out of applicable account(s), as authorized in the Agreement. Written authorization permitting us to be paid directly from the custodial account is outlined in the

## Investment Advisory Agreement-Plan Sponsor Agreement.

Parties of an Investment Advisory Agreement-Plan Sponsor Agreement may terminate the Agreement at any time upon 30 days written notice. Our Clients are responsible to pay for services rendered until the termination of the agreement.

Consulting Services for Wealth Management Fees  
Clients will be charged 1% of the assets.

### **Financial Planning Services**

Any fees for financial planning services will be negotiated with our Clients. Fees may vary between IARs and also based on the extent and complexity of the project.

The fee for a comprehensive financial plan will range from an hourly rate of \$150.00 to \$250.00 or a fixed flat fee between \$1,000 to \$5,000. Fees are billed in with one half (50%) of the estimated fee due and payable at the time our Clients enter into the financial planning agreement, with the balance due and payable at the time the financial plan is delivered. We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

Our Clients may terminate the financial planning agreement at any time by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to our Clients based on a negotiated hourly rate. Services provided up to date of termination but not yet paid to TAMP Advisory Solutions will be billed to our Clients based on a negotiated hourly rate. In no case are our fees based on, or related to, the performance of our Clients funds or investments.

When both investment management or plan implementation and financial planning services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which the Firm may receive compensation. However, the Firm will make all recommendations independent of such considerations and based solely on our obligations to consider our Clients objectives and needs. As a financial planning client, our Clients are under no obligation to act upon any of our recommendations or effect the transaction(s) through us if our Clients decide to follow the recommendations.

### **Additional Fees and Expenses:**

Investment Services Fees payable to us may not include all the fees our Clients will pay when we purchase or sell securities for our Clients Account(s). The following list of fees or expenses are what our Clients may pay directly to third parties whether a security is being purchased, sold or held in our Clients Account(s) under our management.

- Transaction fees (Non-Wrap Accounts);

- SEC fees;
- Custodial fees;
- Transfer taxes;
- Wire transfer and electronic fund processing fees;

When purchasing mutual funds, our policy is to select institutional share classes whenever possible. The institutional share class generally has the lowest expense ratio relative to other classes. If an institutional share class is not available, or is not the optimal solution given trading frequency, the advisor will purchase the least expensive share class available. As share classes with lower expense ratios become available, we may convert the existing mutual fund position to the lower cost share class. Expense ratios associated with mutual funds and ETFs are in addition to our fee, and we do not receive any portion of these charges.

#### *Non-Transaction Fee (NTF) Mutual Funds*

When selecting investments for our clients' portfolios we might choose mutual funds on our Clients account custodian's Non-Transaction Fee (NTF) list. This means that our Clients account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund.

The mutual fund companies that choose to participate in our Clients custodian's NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from our Clients custodian's NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in our Clients best interest.

Please refer to the "Brokerage Practices" below for discussion of the Firm's brokerage practices.

#### **Asset Management Services Provided to Third Parties**

Fees which are paid by a Third-Party or client of the Third-Party are paid by agreement to WTAM, or fees are paid to WTAM and the agreed upon percentage of the fee is remitted to the Third-Party. Dependent upon the arrangement, these services may be part of a Managed Account Platform agreement, the other advisers' Investment Advisory agreement or as part of a third-party management agreement. Fees paid by Third-Party clients may differ from the stated fee schedule for the Firm's clients.

#### **ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge investment services fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our investment services fee compensation is charged only as disclosed above in Fees and Compensation.

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## ITEM 7 – TYPES OF CLIENTS

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We offer our services to investment account holders and investment advisers. Investment advisory, financial planning, retirement, and asset management services are offered directly to individuals, families, businesses, trusts, estates, and profit-sharing plans. Asset management as well as trading and back-office services are offered to other investment advisers. Each of these services is provided through a contractual arrangement.

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## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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Methodologies, analysis, and investment strategies may vary between portfolio managers. Our Client's IAR and WealthTrust DBS Portfolio managers may each have unique processes that may or may not correlate with each other.

### **Methods of Analysis**

In accordance with the asset allocation developed, our Firm will primarily invest in individual common stocks, bonds, Exchange Traded Funds ("ETFs") and mutual funds. Other securities may be used for individual portfolios as necessary to meet investor objectives.

**Common Stocks** may be evaluated by any or all of the following methods:

- *Fundamental Analysis* – a measure of the intrinsic value of a security by looking at economic and financial factors, including the overall economy, industry conditions, the financial condition, and the management of the company. This method does not attempt to anticipate market movements which may present potential risk, as the price of a security may move up or down along with the overall market or industry group, regardless of the economic and financial factors evaluated.
- *Technical Analysis* – a security analysis methodology to attempt to forecast the direction of prices through the study of past market price movements and recognition of recurring patterns.
- *Quantitative Analysis* – a financial analysis technique that evaluates complex mathematical and statistical models, measurement, and analyst market research. A subjective numerical value is assigned to the variable criteria by the analyst in order to reflect and compare securities mathematically.
- *Point & Figure Analysis ("P&F")* – a price movement analysis which monitors supply and demand of each issue with consideration of developing trends. In its simplest form, it is used to help determine an investment entry and exit point of a security. Unlike conventional technical analysis which tends to track open/close/high/low price movement, P&F analysis concentrates on only the closing price of an issue, seeking how the larger picture of stock price movement is expressed from a supply and demand perspective.

**ETFs and mutual funds** are generally evaluated on a variety of factors, including but not limited to, past performance, fee structure, expense ratio, portfolio manager tenure, fund

sponsor, market size, standard deviation, tracking error, correlation to style and/or peer group, overall ratings of safety and returns, and reputation.

**Fixed income** investments may be used as a strategic investment, as an instrument of liquidity or to fulfill income needs in a portfolio, or to add a component of capital preservation. The Firm may evaluate and select individual bonds, bond funds, or ETFs based on a number of factors, including but not limited to credit agency rating, coupon rate, maturity date, call date, yield to maturity, yield to call, duration, debt service coverage, company or project, geographic location, and industry outlook.

## **The DBS Portfolios of WealthTrust Asset Management**

### **Investment Philosophy**

The stock markets will indeed fluctuate – creating risk. At any given time, certain sectors of the market may perform better than others, and certain companies (even in the same market sector) may do better than others. What does this mean for the investor? It means that they should employ strategies to manage the risk of investing in companies or even entire market sectors. **It is our Firm's philosophy that all investors should attempt to mitigate risk to a level acceptable to their risk tolerance and investment timeline.** Risk is best managed by maintaining a diversified investment portfolio of equities/fixed income/cash.

Equity diversification can be achieved on many levels:

- Industry (for example, health care vs. retail)
- Size of company, otherwise known as market capitalization (for example, small cap. vs. large cap.)
- Geography (Domestic vs. foreign based)
- Growth rate (For example, fast-growing companies vs. mature companies)
- Cyclical or non-cyclical (for example, steel vs. food).

Diversification can help an investor reach their goals, but diversification alone doesn't eliminate risk. Prices fluctuate and make for uncertain returns. In pursuing financial objectives, investors can choose from a wide range of investment options that vary greatly in their degree and type of risk and potential return.

### **WealthTrust DBS Methodology**

WealthTrust DBS equity methodology relies heavily on quantitative analysis with the belief that the long-term market price of a stock is ultimately determined by its ability to generate earnings.

Companies in our database are systematically ranked using a composite of four factors:

1. *Agreement*: The extent to which all brokerage' analysts are in agreement, revising



their earnings estimates in the same direction.

2. *Magnitude:* The larger the percentage increase or decrease in analysts projected quarterly earnings, the more weight is assigned to an earnings estimate change. For example, a 10% increase in the earnings estimate revision is better than a 2% increase and would carry more weight in the analysis.
3. *Upside:* The deviation between the most accurate earnings estimate issued by the analyst determines to have the best track record and consensus earnings estimate.
4. *EPS Surprise:* The occurrence of a companies reported quarterly or annual profits-above or below analysts' expectations.

Once analyzed using the four factors above, each equity position is assigned a ranking of 1-5, with 1 representing a strong buy and 5 representing a strong sell.

To this initial quantitative analysis, WealthTrust applies an additional proprietary in-depth screening to further quantify equities for inclusion in or deletions from their DBS Portfolios.

WealthTrust's quantitative method provides a strong, yet dispassionate, buy/sell discipline for their management. This discipline assists them in avoiding market fads, helps them find or realize real value in companies across market segments, and assists in determining when to lighten up or sell companies or market segments.

### **WealthTrust DBS Portfolios**

Following are the current WealthTrust DBS Investment Portfolios: Long Term Growth, Large Cap Growth, Focused Equity QE, Total Return, Moderate Growth & Income, Conservative Growth & Income, Conservative Income & Growth, Moderate Fixed Income, Conservative Fixed Income, ETF Equity Growth, ETF Equity Value, and Quantitative Sectors. Custom DBS portfolios may also be available. WealthTrust DBS Portfolios are available to clients of the Firm as well as through Third-Party asset management relationships.

### **WealthTrust DBS Equity Investment Portfolio Strategies**

Our Equity Investment Portfolio Strategies traditionally share our principals of fundamental and quantitative investment selection: Identifying and purchasing shares of companies whose recent earnings estimate revisions are increasing, regardless of the economy, and selling the shares of those companies whose earnings estimate revisions are deteriorating, regardless of the economy. These strategies involve shares of U.S.-Based, global corporations as well as U.S. market-listed shares of foreign-based corporations. We may also include an allocation of cash, ETFs and mutual funds in our portfolio strategies.

### **WealthTrust DBS Equity Portfolios with Individual Equities**

**Long Term Growth Allocation (LTGA):** The LTGA portfolio targets primarily large-cap stocks and has long term growth as its investment objective. An emphasis is placed on growth at a reasonable price.

**Large Cap Growth Portfolio:** The Large Cap Growth portfolio consists primarily of large cap equities, holding many of the same securities as our LTGA portfolio, excluding some higher priced positions. The portfolio is constructed to offer diversification with a lower initial minimum investment.

**Focused Equity QE Portfolio:** With large cap growth as the investment objective, the philosophy of this model portfolio is to invest in an earnings focused portfolio of large-cap individual equities and ETFs.

**Total Return Portfolio:** With long-term growth as a primary objective and moderate fixed income as a secondary objective, the philosophy of this model portfolio is to invest in a diversified blend of equities and fixed income.

**Moderate Growth & Income Portfolio:** Long-term growth and moderate income are the investment objectives of this portfolio. Its investment philosophy is a diversified blend of equities and moderate fixed income, with a greater emphasis on growth of capital.

**Conservative Growth & Income Portfolio:** With preservative of capital, long term growth and conservative fixed income as the investment objectives, the philosophy of this model portfolio is to invest in a diversified blend of equities and short-term fixed income.

**Conservative Income & Growth Portfolio:** This portfolio is designed for the conservative investor who seeks preservation of capital, conservative fixed income with modest long-term growth. The philosophy of the portfolio is a diversified blend of short-term fixed income as well as a diversified equity allocation.

### **WealthTrust DBS ETF Equity Portfolios**

**ETF Equity Growth Portfolio:** This equity-focused strategy seeks to provide above average capital appreciation. We start with a combination of broad market of U.S. Large, Mid-Cap and Small-Cap ETFs. These positions are then complimented with global sector and industry specific ETFs.

**ETF Equity Value Portfolio:** This equity-focused strategy seeks to provide a stream of regular income through the payment of cash dividends. We start with a combination of global broad market and value style ETFs that have historically paid regular cash dividends. Each of the ETF positions are weighted and re-balanced with the companies paying the highest dividends over the past 12 months as dividends can be

eliminated, raised or reduced by a company without notice.

**ETF Quantitative Sectors Portfolio:** This equity-focused strategy seeks to provide long term growth by investing primarily in ETFs based on the S&P 500's eleven sectors: Consumer Discretionary, Consumer Staples, Energy, Financials, Healthcare, Industrials, Information Technology, Materials, Telecommunication Services, Utilities, and Real Estate. A tactical weighting is applied to each of these industry ETFs based on the quantitative sector analysis and the manager's analysis of market and sector trends.

### **WealthTrust DBS Fixed Income Portfolio Strategies**

These fixed income strategies seek diversification through a blending of maturities and credit qualities that we feel are in favor in relation to the current interest rate environment and/or macro-economic environment.

**Moderate Fixed Income Portfolio:** This fixed-income focused strategy is designed for an investor with a Moderate-Income investment objective and has an emphasis on overall yield with the potential for some capital appreciation. This strategy employs Mutual Funds and/or Exchange Traded Funds ("ETFs") to achieve this objective.

**Conservative Fixed Income Portfolio:** This fixed-income focused strategy designed for an investor with a Conservative Income investment objective has an emphasis on preservation of capital with the potential for modest capital appreciation. This strategy employs Mutual Funds to achieve this objective.

### **The Tactical Edge**

The Tactical Edge strategy is utilized in the Firm's DBS Portfolios with an equity allocation and may also be included in other WealthTrust portfolios. The Tactical Edge sleeve is invested in passively managed, low-cost equity exchange-traded Funds ("ETFs") which track indices of industries, sectors, and market capitalization believed to be most favorable as identified in the trend analysis methodology. Use of this sleeve increases liquidity and diversification of a model. The added liquidity is of particular importance as it allows the Adviser to implement a defensive hedging strategy to the model portfolio quickly and efficiently during what is perceived to be a major market correction. Implementation of the hedging strategy could result in exposure to alternative investments such as cash, gold, U.S. treasuries, and equal weighted inverse ETFs. An inverse ETF is designed to profit from a decline in the value of an underlying index (i.e., the S&P 500 Index).

### **Models Co-Managed by WealthTrust Asset Management**

**WealthTrust Tenma Quality Mid Cap:** This model is co-managed by WealthTrust Asset Management, LLC and Tenma Ltd, LLC (the "Manager Partners"). Investment objective for the model is long term growth through the investment in shares of Mid-Cap publicly traded companies. The Manager Partners define Mid-Cap companies as

companies whose market capitalization is between \$2 billion and \$10 billion at the time of inclusion in the model. In managing the model, a blend of WealthTrust's quantitative methodology and Tenma's multi-factor intangible value modeling will be utilized. The Tactical Edge, which is used in all WealthTrust DBS portfolios, will also be included in this WealthTrust Tenma investment strategy.

**WealthTrust Tenma Quality Small Cap:** This model is co-managed by WealthTrust Asset Management, LLC and Tenma Ltd, LLC (the "Manager Partners"). Investment objective for the model is long term growth through the investment in shares of Small-Cap publicly traded companies. The Manager Partners define Mid-Cap companies as companies whose market capitalization is between \$350 million and \$2 billion at the time of inclusion in the model. In managing the model, a blend of WealthTrust's quantitative methodology and Tenma's multi-factor intangible value modeling will be utilized. The Tactical Edge, which is used in all WealthTrust DBS portfolios, will also be included in this WealthTrust Tenma investment strategy.

## **Risk**

Simply stated, investment risk is a measure, the extent, of the level of uncertainty of achieving an expected return on an investment. This could mean loss of principal, loss of interest or dividends, or a return less than that is desired or anticipated. All investments have risk.

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate our Clients from losses due to market corrections or declines.

Clients should be aware that their accounts are subject to the following risks:

- *Market Risk* – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- *Managed Portfolio Risk* – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- *Industry Risk* – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact our Clients portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market

volatility than less concentrated investments.

- *Non-U.S. Securities Risk* – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- *Emerging Markets Risk* – To the extent that our Clients portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- *Currency Risk* – The value of our Clients portfolio's investments may fall as a result of changes in exchange rates.
- *Interest Rate Risk*. - The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- *Credit Risk*. Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, our Clients portfolio could sustain an unrealized or realized loss.
- *Inflation Risk*. Most fixed income instruments will sustain losses if inflation increases, or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of our Clients fixed income securities could go down.
- *ETF and Mutual Fund Risk*. – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- *Management Risk* – Our Clients investment with us varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- *Options Risk* - Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- *Inverse ETF Risk* -Inverse ETFs are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As

a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs.

*Cybersecurity Risk* - In addition to the Material Risks listed above, investing involves various operational and “cybersecurity” risks. These risks include both intentional and unintentional events at the custodian, TAMP Advisory Solutions, LLC, or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm’s ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients’ information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

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#### ITEM 9 – DISCIPLINARY INFORMATION

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WealthTrust Asset Management, LLC does not have any legal, financial or other “disciplinary” item to report.

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#### ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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##### **Other Business Activities**

##### ***Insurance***

Certain IARs of the Firm may act as agents appointed with various life, disability or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. Because the IARs receive compensation (commissions, trails, or other compensation from the respective insurance products) as a result of effecting insurance transactions, the IAR may have a conflict of interest and incentive to recommend insurance products to our clients. We mitigate this conflict by disclosing to clients they have the right to decide whether or not to engage the services of our IARs. Further, clients should note they have the right to decide

whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place the client's interests first and have established policies in this regard to avoid any conflicts of interest.

#### ***Broker Dealer***

Certain IARs of the firm may be registered representatives of Purshe Kaplan Sterling ("PKS") a full-service broker-dealer, member FINRA/SIPC. From time to time, they may offer clients advice or products, including insurance products, from those activities. Clients should be aware that these services pay a commission and may involve a conflict of interest, as commissionable products may conflict with the fiduciary duties of a registered investment adviser. The Firm is required to always act in the best interest of the client; including transactions for commissionable products to advisory clients.

Should a client decide to make transactions through any of these IARs acting as a registered representative and/or insurance agent, such transactions are not covered by the firm's annual investment services fee (wrap or non-wrap) and may result in a conflict of interest. Clients should note that they are under no obligation to purchase any insurance or make other commissionable transactions through the Firm or its IARs.

#### ***TAMP Back Office Services***

WTAM may enter into a Service Agreement whereby specific administrative and accounting service functions are conducted on behalf of an unaffiliated firm. These services include but are not limited to billing, performance reporting, and portfolio hedging. Elected services, and the costs for these services, are indicated in an agreement executed by WTAM and the outside firm. Charges for these services may be billed monthly to the outside firm or debited monthly from fees due to the firm as indicated in the Agreement.

#### ***925 Advisory – Platform Services offered to Independent Registered Investment Advisers***

925 Advisory ("925"), is a business channel and dba name of the Firm and operates as an Advisory Services Platform to Registered Investment Advisers and other Financial Professionals for asset management and certain back-office services such as client billing and performance reporting. These services are agreed to through a 925 Services Agreement. Administrative services offered by 925 may be performed by unaffiliated entities ("vendors") with which the Firm has contracted. Under this arrangement, neither 925 nor its contracted vendors will serve as an investment adviser to any clients. Access to Independent Adviser's client accounts by 925 or its vendors must be authorized by the Independent Adviser or Independent Adviser's client, as required, and will be limited to that which is necessary for the performance of the contracted services. The 925 Advisory Services Fee, which includes the 925 Platform Fee and any model management fee, will be billed to the Independent Adviser by 925. Any fees assessed to the Independent Adviser's client account will not exceed that which is stated and agreed upon by the Independent Adviser and their client in the Independent Adviser's client engagement agreement.

Asset management services for 925 subscribers are offered through a third party unified

managed account (“UMA”) platform. Available investment models under this platform will include the WealthTrust DBS Models, which are managed by the Firm. This could be viewed as a conflict of interest as our Firm offers and receives revenue from both the 925 platform and the WealthTrust DBS models which are offered on the 925 platform. To mitigate this conflict, the Firm stipulates that the selection of the WealthTrust model portfolios is not required by the Independent Adviser’s utilizing the 925 services.

As is the case with the Firm’s third-party asset management relationships, a client of the independent and unaffiliated Adviser contracting 925 remains the client of the independent Adviser. Further, while the independent Adviser’s clients may be invested in WealthTrust Models which are managed by the Firm, the Firm will not have discretion of the Independent Adviser’s client accounts.

In some instances, IARs of the Firm may also have access to 925 services, including the third party multi strategy UMA portfolio platform. In these cases, the Firm will have discretion and access to the client account as agreed upon in the Client Engagement Agreement executed by the client and WealthTrust Asset Management.

### **925 Advisory Fees**

Independent Adviser’s enrolled in 925 services are invoiced each month for the 925 Advisory Services Fee. This fee includes both the 925 platform fee and any model management fees incurred for a client account. A comprehensive report accompanies the monthly invoice, detailing the fees for services provided to each account. The standard annual 925 platform fee is 0.22%. This fee can be negotiated. Model Manager fees are in addition to the 925 platform fee and may vary by model manager.

If the Independent Adviser elects to use WealthTrust Portfolios, the UMA provider will remit a portion of the Asset Management Fee to the Firm in the form of a Model Manager fee payment. Model Manager fees for the WealthTrust DBS Portfolios offered on the 925 Platform range between 0.18% - 0.25% annually, depending upon the model selected. The Model Manager fee for the WealthTrust Tenma models (Mid Cap and Small Cap) is 43 bps. A fee sharing arrangement has been entered into between co-managers WealthTrust Asset Management, LLC and Tenma Ltd., LLC for the Model Manager fees received from the WealthTrust Tenma Quality models. In addition, a portion of the Model Manager fee will be paid to We Are One Seven, LLC, as supporting sponsor of the WealthTrust Tenma models. The terms of these fee sharing arrangements are defined under separate agreements with the Firm.

## **ITEM 11 – CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

WealthTrust Asset Management, LLC and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for our Clients account and may engage in transactions that



are the same as or different than transactions recommended to or made for clients account. This creates a conflict of interest. We recognize the fiduciary responsibility to place all clients' interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a fiduciary position of trust and must act with complete propriety at all times, protect the reputation of the Firm, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. No director, officer or employee of the Firm shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of the Firm.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

Our Clients may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; Attn: Chief Compliance Officer.

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## ITEM 12 – BROKERAGE PRACTICES

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### **Asset Management Services to Independent Registered Investment Advisers or other Financial Institutions**

Our Firm has adopted trading policies and procedures to help ensure that it lives up to its fiduciary duties. Our policies and procedures serve as guidelines for the management and trading of accounts and model investment strategies. As stated in our Agreement with

Independent RIAs, our Firm executes the trades in our strategies as part of our investment management oversight and responsibilities. We make no effort to time the market or guess the direction of the market in the execution of trades.

The Independent RIAs will recommend the custodian and brokerage services (the “Custodians”) for investment management accounts to their clients. These Custodians are independent and unaffiliated FINRA-registered broker-dealers. Our Firm has entered into agreements to offer sub-advisory services with certain Custodians. Independent RIAs establish accounts through Custodians to maintain custody of their client’s assets. Through our Agreement with the Independent RIA, WealthTrust facilitates the trades through the Custodian that is designated by the Independent RIA’s Client.

All mutual funds purchased for accounts will be purchased without any “sales load” or commission. This means our Firm does not receive any payment from the mutual fund company in connection with the purchase of mutual fund shares. Some mutual funds purchased for client accounts are purchased on a “no-transaction fee” basis. That means they can be purchased and sold without the imposition of any transaction fee. We call these “no-transaction fee funds.” Mutual Funds, like all other investments, are selected based on their merits regardless of transaction fees.

When applicable, our Firm uses limit orders based on the most recent quoted bid/ask spread provided by the custodian in an effort to protect against market movements that may negatively affect executed order prices. The use of limit orders depends on the size of the order as well as the volume of the security that is being traded.

Our Firm may, at times, use block orders when trading a security across multiple accounts in order to allow those accounts to receive the same execution price. The use of block orders depends on the size of the order, the number of accounts being traded and the volume of the security being traded. If a block order receives a partial fill, it is prorated across all affected accounts. Our Firm does not have the authority to determine which brokers or qualified custodians its clients use or the fees that they charge.

We place all trades subject to our fiduciary duties, including seeking best execution. The value of products, research, and services given to us and the reasonableness of commissions are not factors in determining the selection of broker/dealer. The Adviser Clients may be able to obtain lower commissions and fees from other brokers, and Custodian's execution quality may be different than other Custodian’s execution quality.

## **Investment Services for Clients of Our Firm**

### **The Custodian and Brokers We Use**

We do not maintain custody of our Clients assets that we manage; although we may be deemed to have custody of our Clients assets if our Clients give us authority to withdraw assets from our Clients account (see Item 15 Custody, below). Our Clients assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We may recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC., member NYSE/FINRA/SIPC as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. As Custodian, Schwab will hold client assets in a brokerage account and buy and sell securities as instructed by those

authorized to place trades for our Clients account.

While we may recommend that clients use Schwab as custodian/broker, our Clients will decide whether to do so and open accounts with a qualified custodian by entering into account agreements directly with them. We do not open the account for our Clients but will work with our Clients and the custodian in establishing our Clients account and assist our Clients in submitting the account opening paperwork to our Clients custodian. The accounts will always be held in the name of the client and never in TAMP's name.

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

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

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to TAMP and our other clients
10. Availability of other products and services that benefit us, as discussed below (see

#### *Products and Services Available to Us*

##### *Client Brokerage and Custody Costs for Non-Wrap Accounts*

The custodians generally do not charge our Clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into our Clients custodial account. This commitment may benefit our Clients because the overall commission rates and asset-based fees our Clients pay may be lower than they would be if we had not made the commitment. In addition to commissions, the custodians may charge a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client's custodial account. These fees are in addition to the commissions or other compensation our Clients pay the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client accounts.

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide TAMP and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us.

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

#### *Services That Benefit Our Clients*

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

#### *Services That May Not Directly Benefit Our Clients*

Schwab also makes available to us other products and services that benefit us but may not directly benefit our Clients or our Clients account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

#### *Services That Generally Benefit Only Us*

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

1. Educational conferences and events
2. Technology, compliance, legal, and business consulting
3. Publications and conferences on practice management and business succession; and,
4. Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it may arrange for third-

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

There is no direct link between our acceptance of additional services provided by custodians and the investment advice we give to our clients, although we may receive economic benefits through our participation in certain programs. These benefits include but are not limited to the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have investment services fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. The benefits received by TAMP or our personnel through acceptance of any additional services do not depend on the amount of brokerage transactions directed to any custodian. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first, and our receipt of any additional services does not diminish our duty to act in the best interest of our Clients, to include seeking best execution of trades for our Clients accounts.

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

The availability of these services from our custodian benefits us because we do not have to produce or purchase them. We believe that our selection of our custodians and brokers is in the best interests of our clients.

#### **Aggregation and Allocation of Transactions**

The Firm may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for clients and is consistent with the disclosures made to clients and terms defined in the client engagement agreement. No advisory client will be favored over any other client, including those clients of Third-Party relationships. Each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

1. When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash;
2. With respect to sale allocations, allocations may be given to accounts low in cash;
3. We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates;

4. We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block;
5. If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed.
6. If a pro-rata allocation of a potential execution would result in a *de minimis allocation* in one or more accounts, we may exclude the account(s) from the allocation and disgorge any profits. Generally, *de minimis* allocations do not exceed 5% of the total allocation. Additionally, we may execute the transactions on a pro-rata basis.
7. We will document the reasons for any deviation from a pro-rata allocation.

### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

We do not select or recommend broker/dealers based upon receiving client referrals from a broker/dealer or third party. We do not routinely recommend, request or require that our Clients direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit our Clients to direct brokerage.

We place trades for our Clients account subject to our duty to seek best execution and other fiduciary duties. We may use broker-dealers other than our Clients custodian to execute trades for our Clients account, but this practice may result in additional costs to our Clients so that we are more likely to place trades through our Clients custodian rather than other broker-dealers. Our Clients custodian's execution quality may be different than other broker-dealers.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

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## **ITEM 13 – REVIEW OF ACCOUNTS**

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*Account Reviews and Reviewers – Investment Supervisory Services*

The underlying securities within our Clients account are reviewed by John G. McHugh, President and Chief Investment Officer. It is recommended that a review of our Clients'

accounts be conducted by their IAR, in person or by telephone, annually, or more frequently as deemed appropriate.

The purpose of these reviews is to ensure that the investment plan continues to be implemented in a manner which aligns with our Clients objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Our Clients are urged to notify us of any changes in their personal circumstances.

#### *Statements and Reports*

The Firm will have the ability to provide its clients with Performance/Position summary reports upon request. Reports may also be provided at client meetings. Such reports are provided by an independent third-party and are not created by the Firm or any of its representatives. All performance reports are required to be reviewed by the Compliance department of the Firm prior to remittance to the Client.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly.

**Clients are urged to compare the reports provided by the Firm against the account statements they receive directly from their account custodian.**

Financial Planning/Consulting clients (i.e., those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

#### ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

We receive an economic benefit from our custodians in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*).

The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

#### *Outside Compensation*

We may enter into written referral agreements with third parties by which the third party may, from time to time, refer clients that may establish accounts and enter into advisory relationships with us. In such circumstances, we may agree to pay the third party a referral fee equal to a percentage of fees received by us from the referred client. The referral fee may be split between third parties who have jointly participated in referring a client to the Firm.

The fee to be paid by the Firm will be borne entirely by us and there will be no additional fee, cost or expense to the referred client resulting from the referral agreement. The Firm makes disclosure of such referral arrangement, if any, to the client before entering into an advisory agreement. All referral agreements are governed by Rule 206(4)-1 under the Investment Advisers Act of 1940.

The Firm only refers clients to professionals we believe are competent and qualified in their field, but it is ultimately the client's responsibility to evaluate the provider, and it is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals and the Firm has no control over the services provided by another firm. Engagement of these professionals may require the client to sign a separate agreement with the other firm, and fees charged by the other firm are separate from and in addition to fees charged by the Firm.

If the client desires, the Firm will work with these and/or the client's other professionals (such as an accountant or attorney) to help ensure that the provider understands the client's investments and to coordinate services for the client. The Firm will never share information with an unaffiliated professional unless first authorized by the client.

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#### ITEM 15 – CUSTODY

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

#### **Deduction of Investment Services Fees**

The Firm is deemed to have custody of client funds and securities whenever it is given the authority to have Investment Services Fees deducted directly from client accounts. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. For accounts in which the Firm is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against any reports received from the Firm. When clients have questions about their account statements, they should contact the Firm or the qualified custodian preparing the statement.

The Firm is responsible for calculating the Investment Services fee and delivering instructions to the custodian for deduction of the fee from our Client's accounts. Upon



request, we will send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

#### **Standing Letters of Authorization (“SLOA”)**

The Firm is also deemed to have custody of clients’ funds or securities when clients have standing authorizations with their custodian to move money from a client’s account to a third-party (“SLOA”) and, under that SLOA, instructions may be allowable “on demand” by the Client. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client’s independent representative, at least quarterly. Our Clients should carefully review those statements and are urged to compare the statements against reports received from us. When our Clients have questions about our Clients account statements, our Clients should contact us, our Clients Advisor or the qualified custodian preparing the statement.

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#### **ITEM 16 – INVESTMENT DISCRETION**

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Prior to engaging the Firm to provide investment services, our clients will enter into a written Agreement granting the Firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client’s investment objective and guidelines. Clients will also execute any and all documents required so as to authorize and enable the Firm, in its sole discretion, without prior consultation with or ratification by our Clients, to purchase, sell or exchange securities in and for our Clients account. We are authorized, in our discretion and without prior consultation with our Clients to: (1) buy, sell, exchange and trade any stocks, bonds, or any other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by our Clients to us in writing.

The limitations on investment and brokerage discretion held by the Firm for our Clients are:

1. For discretionary clients, we require that it be provided with authority to determine which securities and the amounts of securities to be bought or sold.

Any limitations on this discretionary authority shall be included in this written authority statement. Our Clients may change/amend these limitations as required. Such amendments shall be submitted in writing and approved by all parties.

In instances where we do not have discretion, we will discuss all transactions with our Clients prior to execution.

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#### **ITEM 17 – VOTING YOUR SECURITIES**

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**We do not vote proxies on behalf of clients.** Our Clients are welcome to vote proxies or designate an independent third-party at their own discretion. Our Clients designate proxy voting authority in the custodial account documents. Our Clients must ensure that proxy

materials are sent directly to our Clients or our Clients assigned third party.

We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. However, we are available to answer questions regarding such notices. For discretionary accounts enrolled in our DBS Investment Program, we will respond to optional corporate actions, such as exchange offers.

*Class Action Suits* A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisors to clients. With respect to class action suits and claims, our Clients (or our Clients agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in our Clients account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to our Clients or our Clients agents.

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#### ITEM 18 – FINANCIAL INFORMATION

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This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year.

The firm received a Paycheck Protection Plan Loan (\$95,900.00) through the SBA in conjunction with the relief afforded from the CARES Act. The firm procured the loan to guarantee payroll due to the potential of decreased revenue associated with the unprecedented health pandemic. It also aids in supporting and retaining our staff and support the ongoing operations due to the potential for continued revenue decline in 2020. Finally, we have not been the subject of a bankruptcy petition at any time.