

# **WESTWARD INVESTMENT ADVISORY, LLC**

**4200 W. 83<sup>rd</sup> Street  
Suite 101  
Prairie Village, Kansas 66208**

**Telephone: 414-716-6300**

**March 16, 2023**

## **FORM ADV PART 2A: FIRM BROCHURE**

This brochure provides information about the qualifications and business practices of Westward Investment Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at 414-716-6300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Westward Investment Advisory, LLC is available on the SEC's website at [www.advisersinfo.sec.gov](http://www.advisersinfo.sec.gov).

Registration with state securities authorities or the Securities and Exchange Commission does not imply a certain level of skill or training. Any references to the firm or its associated persons as a "registered investment adviser" does not imply a certain level of skill or training.

## **Item 2 Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 20, 2022 we have no material changes to report.

### Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 6
Item 6 Performance Based Fees and Side-By-Side Management	Page 8
Item 7 Types of Clients	Page 8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 9
Item 9 Disciplinary Information	Page 9
Item 10 Other Financial Industry Activities and Affiliations	Page 9
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 10
Item 12 Brokerage Practices	Page 10
Item 13 Review of Accounts	Page 11
Item 14 Client Referrals and Other Compensation	Page 11
Item 15 Custody	Page 11
Item 16 Investment Discretion	Page 12
Item 17 Voting Client Securities	Page 12
Item 18 Financial Information	Page 12
Item 19 Requirements for State-Registered Advisers	Page 12
Item 20 Additional Information	Page 12

## Item 4 Advisory Business

Westward Investment Advisory, LLC ("WIA" or the "Firm") is an SEC registered investment advisor and has been in business since December 2015. This brochure provides clients with information regarding WIA and the qualifications, business practices and nature of advisory services that should be considered before becoming an advisory client of WIA.

This disclosure document is being offered to you in connection with the investment advisory services provided by WIA to provide you with information about the services we provide and the manner in which those services are made available to you, the client.

WIA is committed to helping our clients achieve their stated financial goals by working diligently to understand your unique needs and crafting customized solutions to meet those needs. Our focus, client-centric process, experience, and unique expertise are the foundation on which we build each client relationship.

WIA is a fee-based investment management firm located in Prairie Village, Kansas and Milwaukee, Wisconsin. The primary owners of WIA are Casey McLiney and James Holcomb. Prior to engaging us to provide investment advisory services, you are required to enter into a written agreement with WIA. A separate custodial agreement may also be required. The agreement sets forth the terms and conditions of the engagement and describes the scope of the services provided and the fees for such services.

We provide portfolio management services on a discretionary basis and investment and asset servicing consulting on a non-discretionary basis. We do not and will not have custody of your funds or securities, except for the limited access to deduct investment advisory fees via the qualified custodian and only with the appropriate prior authorization for you.

WIA offers investment advisory services to institutional investors of all types including not-for-profit organizations, family offices, corporations, and retirement plans. We also offer investment advisory services to individuals and families. The Firm's services and fee arrangements are described in the following pages.

Individuals who are appropriately licensed, qualified and authorized to provide advisory services on behalf of WIA are known as Investment Adviser Representatives ("IARs"). IARs offer advice to clients regarding investments in stocks, bonds, mutual funds, and other securities or investments as deemed appropriate to its clients. WIA reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated investment goals and objectives. WIA may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment for which the client requests advice.

### Professional Liability Insurance

WIA maintains professional liability insurance coverage for its investment advisory services. Within 30 days of any client or prospective client request, WIA will provide proof of professional liability insurance that includes a copy of the insurance agreement that is in effect.

### **Portfolio Management Services**

WIA primarily provides continuous discretionary asset management and investment advisory services. Subject to any written guidelines, which the client may provide, the Firm will be granted discretion and authority to manage the account. Accordingly, WIA is authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include making all investment decisions for the (a) securities to be purchased or sold; (b) the amount of securities to be purchased or

sold; (c) selection of the broker or dealer to execute transactions; and (d) the commission rates to be paid. Once the portfolio is constructed, WIA provides ongoing supervision and re-balancing of the portfolio as changes in market conditions and client circumstances may require. Clients may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing restrictions and guidelines in writing.

In limited circumstances, the Firm may enter into non-discretionary arrangements with clients, where it will obtain client approval prior to the execution of a trade. Clients have an unrestricted right to decline to implement any advice provided by the firm on a non-discretionary basis.

### **Financial Planning Services**

WIA may offer financial planning services which will typically involve providing a variety of services, principally advisory in nature to clients regarding the management of their financial resources based upon analysis of their individual needs. An Advisor of the Firm will first conduct a complimentary initial consultation. After the initial consultation, if the client decides to engage WIA for financial planning services, the Advisor will conduct follow up meetings as necessary during which pertinent information about the client's financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a written financial plan, designed to achieve the client's stated financial goals and objectives, will be produced and presented to the client. The primary objective of this process is to allow the Firm to assist the client in developing a strategy for the successful management of income, assets, and liabilities in meeting the client's financial goals and objectives.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client to the Firm. Clients are advised that certain assumptions may be made with respect to market conditions and macroeconomic trends. Past performance is in no way an indication of future results. WIA cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives or needs change, the client should notify the Firm promptly.

Financial planning clients are under no obligation to act on our financial planning recommendations. Should the client choose to act on any of our recommendations, they are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, clients may act on our recommendations by placing securities transactions with any brokerage firm.

### **Consulting Services**

Clients may also receive investment related consulting services based on their needs and the expertise and services available from our firm. Consulting topics may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation.

### **Wrap Fee Programs**

WIA does not participate in any wrap fee program.

### **Selection of Other Advisers**

WIA may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: The TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate.

### **General Information Regarding Advisory Services**

Advice offered by WIA may involve investments in mutual funds, exchange traded funds, or separately managed accounts. WIA does not represent, warrant or imply that the services or methods of analysis employed by the Firm can or will predict future results, successfully identify market tops or bottoms or insulate clients from the losses due to market corrections or declines.

WIA shall never have custody of any client funds or securities as the services of a qualified independent custodian will be utilized for these services.

### ***IRA Rollover Recommendations***

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. 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. Because our fees are based on the amount of assets that we manage, there is a conflict of interest when a rollover is recommended. In order to manage that and comply with this special rule, 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.

As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

### **Assets Under Management**

As of January 31, 2023, we provide continuous management services for \$44,228,145 in client assets on a discretionary basis, and \$282,350,244 in client assets on a non-discretionary basis. We also manage \$203,235,024 in client assets on a non-continuous basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Fees**

Investment advisory fees are typically charged as a percentage of assets under management by WIA and are subject to negotiation. For small client accounts, WIA may charge a minimum annual fee in accordance with the client fee agreement. Fees will be billed in advance or in arrears, on a quarterly

basis, based on a mutual agreement with the client. For the initial quarter of an investment advisory engagement, the first quarter's fees may be calculated on a pro rata basis depending on the starting date of the engagement.

Investment advisory fees charged by WIA are described, in detail, in the client investment advisory agreement. Fees are based on the following schedule and may be negotiated based on the nature of the investment advisory engagement.

#### Fee Schedule

<b>Incremental Assets Under Management</b>	<b>Investment Advisory Fee</b>
Up to \$1,000,000	100 basis points (1.00%)
On the next \$2,000,000	80 basis points (0.80%)
On the next \$2,000,000	60 basis points (0.60%)
On the next \$10,000,000	40 basis points (0.40%)
On the next \$10,000,000	35 basis points (0.35%)
On the next \$25,000,000	30 basis points (0.30%)
Over \$50,000,000	Negotiable

Portfolio management fees will be billed quarterly in advance based on the value of the assets on the last business day of the preceding calendar quarter. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of the calendar quarter.

WIA may charge a fixed fee for certain clients based on the complexity of the services provided. Fixed fees are subject to negotiation and are billed quarterly in advance.

Consulting services can be charged on an hourly basis, quarterly in advance, as agreed upon with the client and stated in the client agreement.

Payment of advisory fees are made either through a debit directly to your account by the qualified custodian holding your funds and securities or you may elect to receive an invoice and pay WIA directly.

WIA will not have access to client funds for payment of fees. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, directly to the client showing all disbursements from the account. The client is encouraged to review account statements for accuracy. WIA will receive a duplicate copy of or will have electronic access to the statement that was delivered to the client.

Management fees are negotiable based upon the client's individual needs and circumstances, such as the account size and nature of the investment activity within the account.

WIA or the client may terminate the management agreement within five days of the date of acceptance without penalty to the client. After the five day period, either party may terminate the management agreement upon 30 days written notice to the other. The management fee will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be returned to the client.

#### **Financial Planning Fees**



Generally, the Firm's fee for financial planning services ranges will be quoted and charged on a fee for service basis. Generally, WIA requires that 50% of the estimated fee be paid in advance, with the remaining portion due upon completion of the services rendered. At the Firm's discretion, the financial planning fees and fee payment arrangements may be negotiated with the client on an individual basis depending upon the client's individual needs and circumstances. In all such cases, the fees and terms of the agreement will be clearly set forth in the financial planning agreement.

### **Selection of Other Advisers**

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Assets managed by TPMMs will not be included in the calculation of our advisory fee, and are not included in the fee schedule set forth in the *Portfolio Management* section in this brochure. Advisory fees that you pay to the TPMM are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

### **Additional Fees and Expenses**

WIA currently utilizes external and unrelated qualified custodians for all its client custodial arrangements. Any custodial fees assessed by the custodian will be deducted from the client's account. Clients may incur other fees such as transaction fees or brokerage fees. These charges and fees are typically imposed by the broker-dealer or custodian through whom the transactions are executed.

As part of the investment advisory services provided, we may invest, or recommend that clients invest, in mutual funds and exchange traded funds. The fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

We do not receive directly or indirectly, any of these additional fees charged to you.

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

We do not charge any performance-based fees.

## **Item 7 Types of Clients**

WIA generally provides investment advisory services to the following types of clients:

- Not-for-profit organizations
- Individuals, trusts, and estates
- Family offices
- Retirement plans
- Corporations



We do not require a minimum portfolio size but we reserve the right to charge a minimum annual management fee and to terminate an account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively. We will also, in some instances, combine accounts of a single client relationship to offer a preferred fee arrangement.

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

WIA takes a client-focused, process-driven approach to providing investment advice to our clients. In every instance, we work to understand our client's unique goals, risk tolerance, and liquidity needs. We build investment strategies that take all of those factors into account and make necessary adjustments as client needs and market conditions change over time.

WIA managed portfolios may include mutual funds, exchange-traded funds, separately managed accounts, and/or individual securities including stocks and bonds. WIA maintains a recommended list of individual securities and separate account managers for which we have performed due diligence and monitor on a periodic basis.

There are many forms of risk that may impact any investment portfolio and investor clients should be prepared to bear the risk of loss of principal. Examples of such risks include:

- Market Risk - the risk that the value of an investment will decrease due to changes in market conditions
- Issuer Risk - the risk that the issuer of a security may fail or default on its obligations
- Interest Rate Risk - the risk that the value of a security may decrease due to a change in the general level of interest rates
- Liquidity Risk - the risk stemming from the lack of marketability of a security that cannot be bought or sold quickly; thus impacting the value
- Reinvestment Risk - the risk that the proceeds of a payment of principal or interest may have to be reinvested at a lower rate than the original investment

Investment securities are subject to these and other types of risk; all of which may result in the loss of principal. While WIA works to manage the various risks inherent in our clients' portfolios, we are unable to guarantee that a client's targeted rate of return will be achieved nor that the portfolio will not experience a loss of principal.

WIA utilizes a variety of data sources in the evaluation of various individual and pooled securities. While we seek to identify and employ credible, accurate, and unbiased sources for such data, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **Item 9 Disciplinary Information**

WIA itself does not have any legal or disciplinary events to disclose that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

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

### **Brokerage**

One member of our firm is a registered representative of SAMCO Capital Markets, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as a registered representative of that firm, this person receives

commission-based compensation in connection with the purchase and sale of securities. In order to manage this potential conflict of interest, this person is not an investment advisor representative for our firm.

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

WIA has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable state and federal securities laws.

WIA and our personnel are committed to its fiduciary duties of loyalty, honesty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

We typically do not invest in or recommend to clients (or buy or sell for client accounts) securities in which the Firm or a related person has a material financial interest.

WIA's Code of Ethics includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we may have any access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to clients or securities in which clients have already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of clients and potentially receive more favorable prices than those clients will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over client accounts in the purchase or sale of securities.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by calling us at 414-716-6300.

## **Item 12 Brokerage Practices**

WIA does not have any soft-dollar arrangements and does not receive any soft-dollar benefits or research.

WIA typically does not have the authority to determine the broker or dealer used and the commission rates paid in effecting transactions for your account. However if given the authority to select a broker or dealer, we will consider the full range and quality of services, including execution compatibility, account access and information, rates, overall fees and account costs, prior experience, responsiveness, service, reputation, honesty, integrity, and the financial stability of the firm, among other factors.

We do not select or recommend brokers or dealers based upon receiving client referrals or any other form of compensation from a third party. When using separately managed account strategies through our relationship with SEI, we and our respective client enter into a tri-party agreement that requires the use of SEI Private Trust Company as custodian in order to facilitate access to those specific investment vehicles.

WIA and individuals associated with our firm are prohibited from engaging in principal transactions and engaging in agency cross transactions.

### **Allocations of Securities Among Client Accounts**

WIA does not engage in aggregate asset allocation among client accounts.

### **Trade Error Policy**

On infrequent occasions, an error may be made in a client's account. For example, a security may be erroneously purchased for a client account instead of sold. In these situations, WIA seeks to rectify the error by placing the client account in similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including but not limited to, cancelling the trade, adjusting an allocation, and/ or reimbursing the account. If a trade error results in a profit, typically, it remains in the error account of the executing broker or dealer or account custodian, and it is not allocated to the client account.

## **Item 13 Review of Accounts**

Client accounts are monitored on a continuous basis, with a formal review conducted at least annually. Formal reviews are conducted by James Holcomb and/or other persons within the firm which may include the operations staff and compliance staff. Although reviews are conducted on a periodic basis, other factors may cause a client's account to be reviewed more frequently.

The following circumstances will result in a review of the client account: 1) a client's request; 2) adverse market or economic conditions; 3) a material change in the client's financial condition; or 4) pursuant to any special terms of the executed agreement for services.

WIA may provide additional written reports to Clients, at the Client's request or for the purpose of account reviews. Clients or their independent representatives are provided with statements from the client's qualified custodian. Statements are sent to clients no less than quarterly. The custodian will send statements to clients on a monthly basis when there is activity in the client's account(s). Statements may be provided electronically. Clients are encouraged to review statements provided by their custodian.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

## **Item 15 Custody**

Custody of your account will be held by an independent, qualified custodian. As previously noted, WIA typically does not select qualified custodians for client engagements. Clients may request a custodian of their preference.

WIA does not have the ability to deduct our advisory fees from clients' accounts. We do not have physical custody of any client funds and/or securities. Client funds and securities will be held with a bank, broker-dealer, or other qualified custodian. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. Clients should carefully

review account statements for accuracy. If there is a question regarding the account statement, or if an account statement was not received from the custodian, contact us immediately at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

Clients executing an investment advisory agreement with WIA may choose to grant the Firm discretionary investment authority. This authority will give us the power to decide which securities to buy and sell, in what quantities, and at what commission rates. The firm will have the power to engage a Third Party Separate Account Manager(s) or investment program(s) to manage all, or a portion of the Client's investment portfolio. Without specific client instructions, we do not have the power to transfer funds or securities to or from a client's account.

Our firm's investment authority may be subject to specified investment objectives, guidelines and/ or conditions imposed by the client. For example, a client may specify that the investment in any particular stock or industry should not exceed specific percentages of the value of the portfolio. A client could also place restrictions or prohibitions on transactions in the securities of a specific industry and/ or direct brokerage to a broker of their own choosing.

While discretionary trading authorization is generally utilized, both the client and WIA may require an account be established on a non-discretionary basis. Furthermore, clients may exercise the right to not grant any trading authorization to WIA. As such, the firm and the client shall mutually agree, in writing, to the precise authorization provided to WIA. Clients have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

WIA does not vote proxies on behalf of its clients. WIA clients may elect to receive proxy statements directly from the issuers. In instances in which proxy statements are sent to WIA in care of a WIA client, WIA will forward the proxy statement to the client. WIA will provide assistance in voting proxies, at the request of our client.

## **Item 18 Financial Information**

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to you. WIA is not providing its balance sheet for its most recent fiscal year because it does not have custody of client funds or securities, or require pre-payment of more than \$1,200 in fees per client and six or more months in advance.

We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based



compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

**Errors & Omissions Insurance**

WIA maintains Errors & Omissions Insurance.